

448IHSSF261



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Site Name TRION, INC

DocumentType Correspondence (C)

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DocDate 7/15/2011

DocRcvd 7/15/2011

Box SF261

AccessLevel PUBLIC

Division WASTE MANAGEMENT

Section SUPERFUND

Program IHS (IHS)

DocCat FACILITY



OUR CLIENTS DEMAND A SMARTER SOLUTION

Sent Via Hand-Delivery

July 11, 2011

Ms. Janet MacDonald
REC Program
Inactive Hazardous Sites Branch
Superfund Section
NC Division of Waste Management
1646 Mail Service Center
Raleigh, NC 27699-1646

Reference: Quarterly Status Report
Trion, Inc., Sanford, NC
NONCD 0002843
H&H Project No. BAI.002

REC-LEAD

Hart & Hickman, PC
3334 Hillsborough Street
Raleigh, NC 27607

919-847-4241 phone
919-847-4261 fax
www.harthickman.com



Dear Ms. MacDonald:

Hart & Hickman is pleased to provide this quarterly status report for the above-referenced site. Field activities outlined in the Remedial Investigation Work Plan, dated October 20, 2010, were completed in late February and March 2011. Details regarding the work completed are included in the last quarterly report submitted in April.

The data from those activities were evaluated and due to trichloroethene (TCE) being detected in a well installed on the adjacent property at a concentration of 30 ug/l, the well was re-sampled in May. The results of the re-sampling confirmed the presence of TCE at a similar concentration (34 ug/l). The Remediating Party (RP) notified the adjacent property owner and the REC Program was notified in an email dated June 20, 2011.

The level of TCE is relatively low and the well is very close to the RPs property line so it is unlikely that a significant portion of the adjacent property impacted. However, installation of additional wells are planned to delineate the plume on the adjacent property in the near future.

It is anticipated this evaluation will be completed during the third quarter of 2011 and a Remedial Investigation Report will be prepared and submitted once the results of this additional work are evaluated.

Ms. Janet MacDonald
July 11, 2011
Page 2

The required certification statements are attached for incorporation into the file. If you have any questions or concerns, please contact me at (919) 847-4241.

Sincerely,

Hart & Hickman, PC



Leonard C. Moretz, L.G., RSM
Project Director/Branch Manager

Enclosures

cc w/enclosures: Harold Kessler – Barrier Advisors, Inc.
As Plan Administrator for Trion, Inc. and
Trustee of the FC Term Lenders Liquidating Trust

Kent E. Hansen
Consultant to Barrier Advisors, Inc.



REMEDIATING PARTY DOCUMENT CERTIFICATION STATEMENT (.0306(b)(2)):

"I certify under penalty of law that I have personally examined and am familiar with the information contained in this submittal, including any and all documents accompanying this certification, and that, based on my inquiry of those individuals immediately responsible for obtaining the information, the material and information contained herein is, to the best of my knowledge and belief, true, accurate and complete. I am aware that there are significant penalties for willfully submitting false, inaccurate or incomplete information."

Kent E. Hansen
(Name of Remediating Party Official)

*Kent E. Hansen
(Signature of Remediating Party Official)

* 07/13/2011
Date

New Jersey (Enter State)

Morris COUNTY

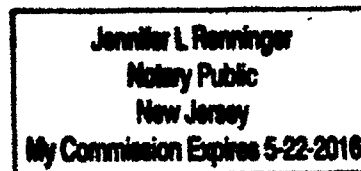
I, Jennifer Renninger, a Notary Public of said County and State, do hereby certify that Kent E. Hansen did personally appear and sign before me this day, produced proper identification in the form of driver's license was duly sworn or affirmed, and declared that, to the best of his or her knowledge and belief, after thorough investigation, the information contained in the above certification is true and accurate, and he or she then signed this Certification in my presence.

WITNESS my hand and official seal this 13th day of July, 2011.

Jennifer Renninger
Notary Public (signature)

(OFFICIAL SEAL)

My commission expires: 5/22/16



REGISTERED SITE MANAGER DOCUMENT CERTIFICATION STATEMENT (.0306(b)(1)):

"I certify under penalty of law that I am personally familiar with the information contained in this submittal, including any and all supporting documents accompanying this certification, and that the material and information contained herein is, to the best of my knowledge and belief, true, accurate and complete and complies with the Inactive Hazardous Sites Response Act G.S. 130A-310, et seq, and the remedial action program Rules 15A NCAC 13C .0300. I am aware that there are significant penalties for willfully submitting false, inaccurate or incomplete information."

Leonard Moretz
(Name of Registered Site Manager)

* Leonard Moretz
(Signature of Registered Site Manager)

* 7-15-11
Date

NC (Enter State)

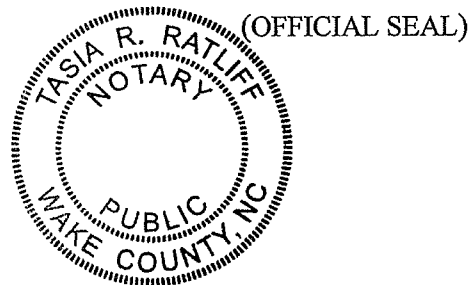
Wake COUNTY

I, Tasia R. Ratliff, a Notary Public of said County and State, do hereby certify that Leonard Moretz did personally appear and sign before me this day, produced proper identification in the form of NC DL, was duly sworn or affirmed, and declared that, he or she is the duly authorized environmental consultant of the remediating party of the property referenced above and that, to the best of his or her knowledge and belief, after thorough investigation, the information contained in the above certification is true and accurate, and he or she then signed this Certification in my presence.

WITNESS my hand and official seal this 15 day of July, 2011.

Tasia R. Ratliff
Notary Public (signature)

My commission expires: 7/12/16.



Macdonald, Janet K

From: Macdonald, Janet K
Sent: Wednesday, June 22, 2011 11:53 AM
To: 'Imoretz@harthickman.com'
Subject: FW: Trion, Inc Site, Sanford, NC
Attachments: image001.png

REC-LEAD

Emails re: offsite plume migration

Leo,

Your e-mail informing us of the offsite plume migration at the above-mentioned site is sufficient, and no hardcopy letter is required. As we discussed via telephone today, you have not identified any public health concerns associated with this discovery since the groundwater impacts are relatively low, the adjacent downgradient building is unoccupied, and the area is served by Lee County water.

Currently, an evaluation of the potential for vapor intrusion (VI) into the potential offsite "API" building does not appear to be necessary since the TCE concentration in groundwater does not exceed the industrial Acceptable Groundwater Concentrations. However, the TCE concentration slightly exceeds the residential Acceptable Groundwater Concentration, so if the adjacent building use changes, the IHSB toxicologist may determine that a VI evaluation is necessary in the future.

Please notify us if you discover that the potential risk to public health increases in any way as a result of the offsite contaminants in groundwater.

Thanks,

Janet

Janet Macdonald
Phone: (919) 508-8446

E-mail correspondence to and from this address may be subject to the North Carolina Public Records Law and may be disclosed to third parties.

From: Caulk, Kim
Sent: Tuesday, June 21, 2011 8:57 AM
To: Macdonald, Janet K
Subject: FW: Trion, Inc Site, Sanford, NC

Kim T. Caulk, P.G.
Phone: (919) 508-8451
<http://portal.ncdenr.org/web/wm/sf/ihs/recprogram>

E-mail correspondence to and from this address may be subject to the North Carolina Public Records Law and may be disclosed to third parties.

From: Leo Moretz [mailto:Imoretz@harthickman.com]
Sent: Monday, June 20, 2011 5:21 PM
To: Caulk, Kim

Cc: Kent Hansen

Subject: Trion, Inc Site, Sanford, NC

Kim,


I left you a voicemail but thought I'd follow up with an email. We installed a well on the property immediately adjacent to the Trion, Inc site in Sanford and detected TCE above the 2L standard. The well has been sampled twice and we got detections of 30 ug/l and 34 ug/l. The Remediating Party is notifying the adjacent property owner and I wanted to notify you. Attached is a figure with the sampling results summarized. The level of TCE is relatively low and the well is very close to the RPs property line so I doubt there's a significant portion of the adjacent property impacted. However, we plan on installing additional wells to delineate the plume on their property. You will note from the attached figure that two other wells installed on the adjacent property were "clean". Would you like a hard copy letter with the attached figure for the files?

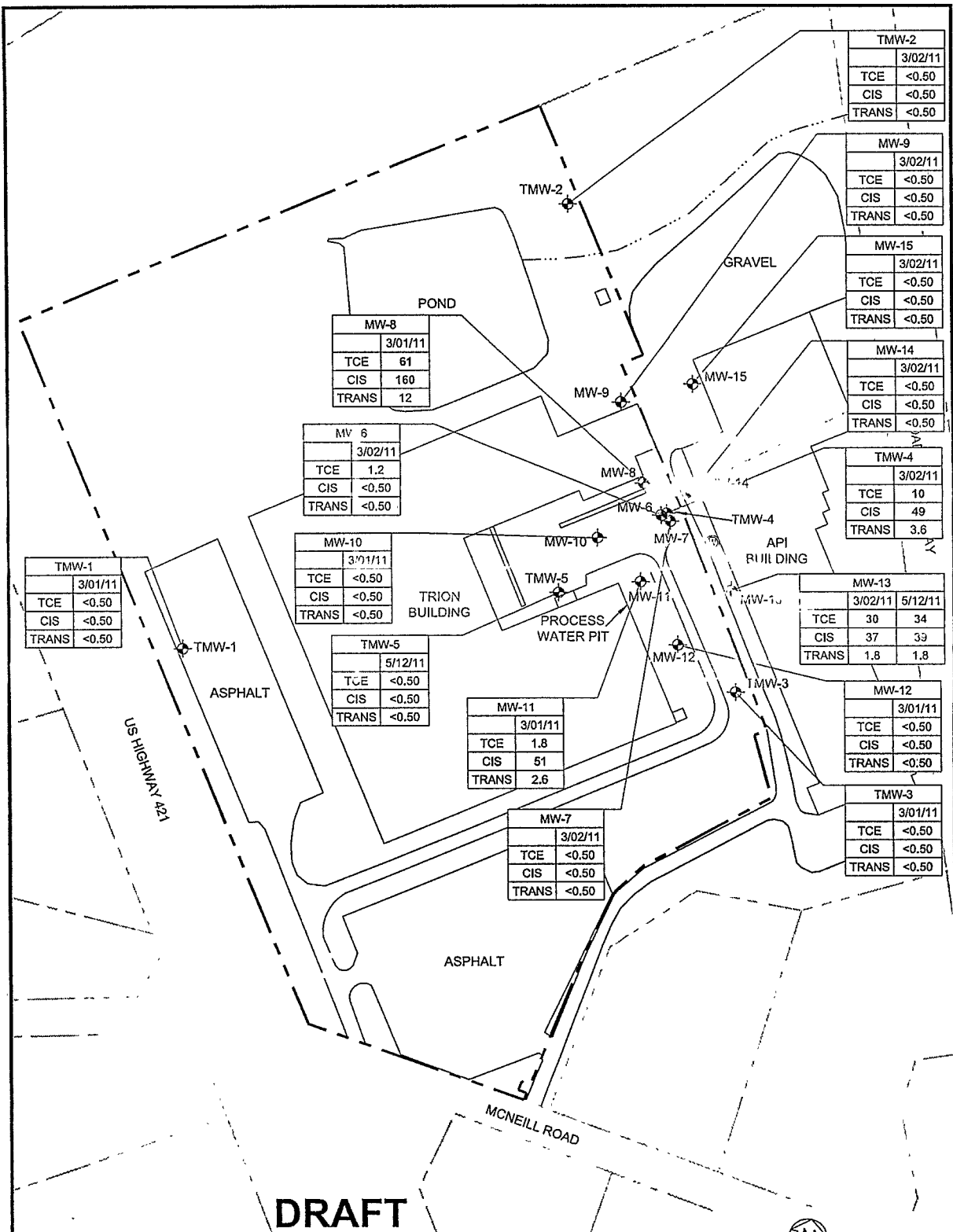
Thanks,

Leo

Leonard Moretz, PG, RSM Project Director/Branch Manager
Hart & Hickman, PC | 3334 Hillsborough St. | Raleigh, NC 27607
Direct 919-723-2501 | Mobile 919-740-3717 | Main 919-847-4241
www.harthickman.com



 please don't print this e-mail unless you really need to.



NOTES:

GROUNDWATER SAMPLES COLLECTED ON 03/01/11 - 03/02/11 AND 05/12/11.

TCE = TRICHLOROETHENE

CIS = CIS-1,2-DICHLOROETHENE

TRANS = TRANS-1,2-DICHLOROETHENE

BOLD VALUES EXCEED REGULATORY STANDARDS

LEGEND

MONITORING WELL

INACTIVE WATER SUPPLY WELL

SITE PROPERTY

PROPERTY PARCEL

INTERMITTENT STREAM

TMW-4		SAMPLE IDENTIFICATION
3/02/11		SAMPLE DATE
TCE 10		
CIS 49		
TRANS 3.6		
		ANALYTICAL RESULT (µg/L)
		CONSTITUENT



APPROXIMATE
0 150 300
SCALE IN FEET

VOC ANALYTICAL SUMMARY MAP

PROJECT

TRION, INC. FACILITY
101 MCNEILL ROAD
SANFORD, NORTH CAROLINA



3334 Hillsborough Street
Raleigh, North Carolina 27607
919-847-4241 (p) 919-847-4261 (f)
License # C-1269

DATE: 05/20/11

REVISION NO. 0

JOB NO. BAI-002

FIGURE NO. 1

Macdonald, Janet K

From: Caulk, Kim
Sent: Tuesday, June 21, 2011 8:57 AM
To: Macdonald, Janet K
Subject: FW: Trion, Inc Site, Sanford, NC
Attachments: image001.png; BAI-002_Figures GW Results_tk.pdf

REC-LEAD

E-mail notification of offsite plume migration

Kim T. Caulk, P.G.
Phone: (919) 508-8451
<http://portal.ncdenr.org/web/wm/sf/ihs/recprogram>

E-mail correspondence to and from this address may be subject to the North Carolina Public Records Law and may be disclosed to third parties.

From: Leo Moretz [mailto:lmoretz@harthickman.com]
Sent: Monday, June 20, 2011 5:21 PM
To: Caulk, Kim
Cc: Kent Hansen
Subject: Trion, Inc Site, Sanford, NC

Kim,

I left you a voicemail but thought I'd follow up with an email. We installed a well on the property immediately adjacent to the Trion, Inc site in Sanford and detected TCE above the 2L standard. The well has been sampled twice and we got detections of 30 ug/l and 34 ug/l. The Remediating Party is notifying the adjacent property owner and I wanted to notify you. Attached is a figure with the sampling results summarized. The level of TCE is relatively low and the well is very close to the RPs property line so I doubt there's a significant portion of the adjacent property impacted. However, we plan on installing additional wells to delineate the plume on their property. You will note from the attached figure that two other wells installed on the adjacent property were "clean". Would you like a hard copy letter with the attached figure for the files?

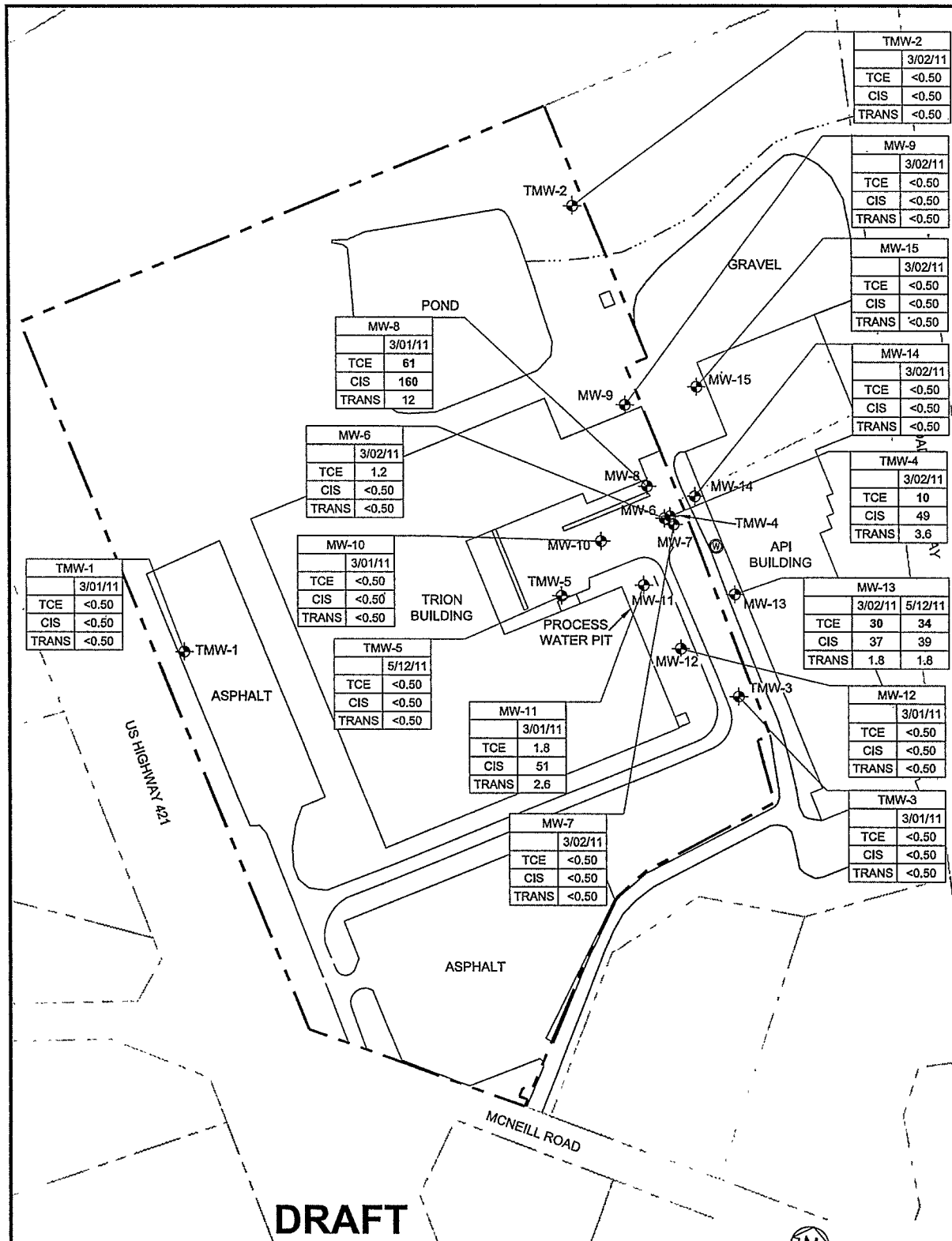
Thanks,

Leo

Leonard Moretz, PG, RSM Project Director/Branch Manager
Hart & Hickman, PC | 3334 Hillsborough St. | Raleigh, NC 27607
Direct 919-723-2501 | Mobile 919-740-3717 | Main 919-847-4241
www.harthickman.com



please don't print this e-mail unless you really need to.



DRAFT

NOTES:

GROUNDWATER SAMPLES COLLECTED ON 03/01/11 - 03/02/11 AND 05/12/11.

TCE = TRICHLOROETHENE

CIS = CIS-1,2-DICHLOROETHENE

TRANS = TRANS-1,2-DICHLOROETHENE

BOLD VALUES EXCEED REGULATORY STANDARDS

LEGEND

MONITORING WELL

INACTIVE WATER SUPPLY WELL

SITE PROPERTY

PROPERTY PARCEL

INTERMITTENT STREAM

TMW-4	
	3/02/11
TCE	10
CIS	49
TRANS	3.6

SAMPLE IDENTIFICATION

SAMPLE DATE

ANALYTICAL RESULT (µg/L)

CONSTITUENT



APPROXIMATE
150 300
SCALE IN FEET

VOC ANALYTICAL SUMMARY MAP

PROJECT

TRION, INC. FACILITY
101 MCNEILL ROAD
SANFORD, NORTH CAROLINA



3334 Hillsborough Street
Raleigh, North Carolina 27607
919-847-4241(g) 919-847-4261(f)
License # C-1269

DATE: 06/20/11

REVISION NO. 0

JOB NO. BAI-002

FIGURE NO. 1

REC-LEAD



OUR CLIENTS DEMAND A SMARTER SOLUTION

Sent Via Hand-Delivery

April 6, 2011

Ms. Janet MacDonald
REC Program
Inactive Hazardous Sites Branch
Superfund Section
NC Division of Waste Management
1646 Mail Service Center
Raleigh, NC 27699-1646



Hart & Hickman, PC
3334 Hillsborough Street
Raleigh, NC 27607

919-847-4241 phone
919-847-4261 fax
www.harthickman.com

Reference: Quarterly Status Report
Trion, Inc., Sanford, NC
NONCD 0002843
H&H Project No. BAI.001

Dear Ms. MacDonald:

Hart & Hickman is pleased to provide this quarterly status report for the above-referenced site. The final REC Administrative Agreement for the site was executed in October 2010. The Remedial Investigation Work Plan, dated October 20, 2010, was submitted to NCDENR on November 2, 2010. Because most of the investigation activities were proposed for the adjacent property owned by Investment Recovery Services (IRS), an offsite access agreement was necessary. Approval for site access was received on January 7, 2011.

Field activities were conducted in late February and March and consisted of the following:

- Completion of a geophysical survey on the Trion and IRS properties.
- Pipeline camera inspection of three sections of a storm sewer line on the IRS property.
- Advancement of 10 soil borings using direct push technology (DPT) methods.
- Collection of 3 soil samples for laboratory analysis from the above soil borings.
- Collection of 2 sediment samples from an intermittent creek on the IRS property.
- Installation of 3 permanent monitoring wells using air rotary methods.
- Collection of ground water samples from 12 existing and 3 newly-installed monitoring wells.

Ms. Janet MacDonald
April 6, 2011
Page 2

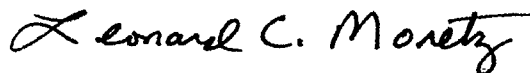
- Civil survey of sampling locations and new monitoring well elevations.

The data from these activities are currently being evaluated to determine if additional assessment activities may be required, or if sufficient assessment data have been collected and an evaluation of remedial options may be initiated. It is anticipated this evaluation will be completed during the second quarter of 2011 and a Remedial Investigation Report prepared, or additional assessment performed.

The required certification statements are attached for incorporation into the file. If you have any questions or concerns, please contact me at (919) 847-4241.

Sincerely,

Hart & Hickman, PC



Leonard C. Moretz, L.G., RSM
Project Director/Branch Manager

Enclosures

cc w/enclosures: Harold Kessler – Barrier Advisors, Inc.
As Plan Administrator for Trion, Inc. and
Trustee of the FC Term Lenders Liquidating Trust

Kent E. Hansen
Consultant to Barrier Advisors, Inc.



REMIEDIATING PARTY DOCUMENT CERTIFICATION STATEMENT (.0306(b)(2)):

"I certify under penalty of law that I have personally examined and am familiar with the information contained in this submittal, including any and all documents accompanying this certification, and that, based on my inquiry of those individuals immediately responsible for obtaining the information, the material and information contained herein is, to the best of my knowledge and belief, true, accurate and complete. I am aware that there are significant penalties for willfully submitting false, inaccurate or incomplete information."

KENT E. Hansen

(Name of Remediating Party Official)

*Kent E. Hansen * 04/13/2011

(Signature of Remediating Party Official)

Date

New Jersey (Enter State)

Morris COUNTY

I, Jennifer Renninger, a Notary Public of said County and State, do hereby certify that KENT E. Hansen did personally appear and sign before me this day, produced proper identification in the form of driver's license, was duly sworn or affirmed, and declared that, to the best of his or her knowledge and belief, after thorough investigation, the information contained in the above certification is true and accurate, and he or she then signed this Certification in my presence.

WITNESS my hand and official seal this 13th day of April, 2011.

Jennifer Renninger

Notary Public (signature)

(OFFICIAL SEAL)

My commission expires: 5/22/11.

Jennifer L Renninger
Notary Public State of New Jersey
My Commission Expires May 22, 2011

REGISTERED SITE MANAGER DOCUMENT CERTIFICATION STATEMENT (.0306(b)(1)):

"I certify under penalty of law that I am personally familiar with the information contained in this submittal, including any and all supporting documents accompanying this certification, and that the material and information contained herein is, to the best of my knowledge and belief, true, accurate and complete and complies with the Inactive Hazardous Sites Response Act G.S. 130A-310, et seq, and the remedial action program Rules 15A NCAC 13C .0300. I am aware that there are significant penalties for willfully submitting false, inaccurate or incomplete information."

Leonard Moretz
(Name of Registered Site Manager)

* Leonard Moretz
(Signature of Registered Site Manager)

* 4-13-11
Date

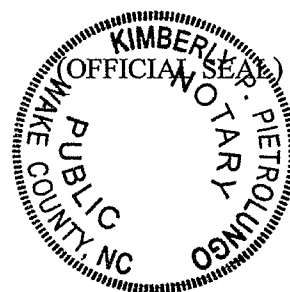
NC (Enter State)
Wake COUNTY

I, Kimberly P. Pietrangelo, a Notary Public of said County and State, do hereby certify that Leonard Moretz did personally appear and sign before me this day, produced proper identification in the form of Driver's license, was duly sworn or affirmed, and declared that, he or she is the duly authorized environmental consultant of the remediating party of the property referenced above and that, to the best of his or her knowledge and belief, after thorough investigation, the information contained in the above certification is true and accurate, and he or she then signed this Certification in my presence.

WITNESS my hand and official seal this 13 day of April, 2011.

Kimberly P. Pietrangelo
Notary Public (signature)

My commission expires: 3/28/2014



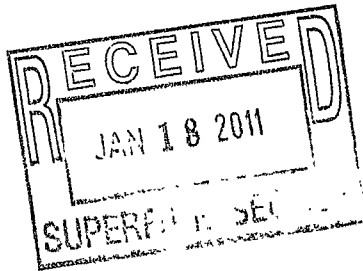


OUR CLIENTS DEMAND A SMARTER SOLUTION

Sent Via Hand-Delivery

January 13, 2011

Ms. Janet MacDonald
REC Program
Inactive Hazardous Sites Branch
Superfund Section
NC Division of Waste Management
1646 Mail Service Center
Raleigh, NC 27699-1646



REC-LEAD

Hart & Hickman, PC
3334 Hillsborough Street
Raleigh, NC 27607

919-847-4241 phone
919-847-4261 fax
www.harthickman.com

Reference: Quarterly Status Report
Trion, Inc., Sanford, NC
NONCD 0002843
H&H Project No. BAI.001

Dear Ms. MacDonald:

Hart & Hickman is pleased to provide this quarterly status report for the above-referenced site. The final REC Administrative Agreement for the site was executed in October 2010. The Remedial Investigation Work Plan, dated October 20, 2010, was submitted to NCDENR on November 2, 2010. Since that time we have been attempting to receive approval for site access from the adjacent property owner. This approval was received on January 7, 2011. It is anticipated that the RI field activities will be completed in early February and the RI report completed by the end of March.

The required certification statements are attached for incorporation into the file. If you have any questions or concerns, please contact me at (919) 847-4241.

Sincerely,

Hart & Hickman, PC

Leonard C. Moretz, L.G., RSM
Project Director/Branch Manager

Enclosures

Ms. Janet MacDonald
January 13, 2011
Page 2

cc w/enclosures: Harold Kessler – Barrier Advisors, Inc.
As Plan Administrator for Trion, Inc. and
Trustee of the FC Term Lenders Liquidating Trust

Kent E. Hansen
Consultant to Barrier Advisors, Inc.



REMEDiating PARTY DOCUMENT CERTIFICATION STATEMENT (.0306(b)(2)):

"I certify under penalty of law that I have personally examined and am familiar with the information contained in this submittal, including any and all documents accompanying this certification, and that, based on my inquiry of those individuals immediately responsible for obtaining the information, the material and information contained herein is, to the best of my knowledge and belief, true, accurate and complete. I am aware that there are significant penalties for willfully submitting false, inaccurate or incomplete information."

Kent E. Hansen
(Name of Remediating Party Official)

* Kent E. Hansen
(Signature of Remediating Party Official)

* January 13, 2011
Date

New Jersey (Enter State)

Morris COUNTY

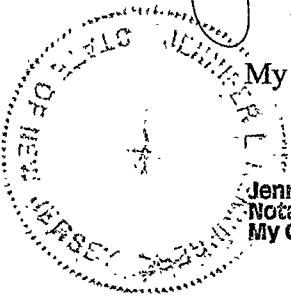
I, Jennifer Renninger, a Notary Public of said County and State, do hereby certify that Kent E. Hansen did personally appear and sign before me this day, produced proper identification in the form of drivers license was duly sworn or affirmed, and declared that, to the best of his or her knowledge and belief, after thorough investigation, the information contained in the above certification is true and accurate, and he or she then signed this Certification in my presence.

WITNESS my hand and official seal this 13th day of January, 2011.

Jennifer Renninger
Notary Public (signature)

(OFFICIAL SEAL)

My commission expires: 5/22/11.



Jennifer L. Renninger
Notary Public State of New Jersey
My Commission Expires May 22, 2011

REGISTERED SITE MANAGER DOCUMENT CERTIFICATION STATEMENT (.0306(b)(1)):

"I certify under penalty of law that I am personally familiar with the information contained in this submittal, including any and all supporting documents accompanying this certification, and that the material and information contained herein is, to the best of my knowledge and belief, true, accurate and complete and complies with the Inactive Hazardous Sites Response Act G.S. 130A-310, et seq, and the remedial action program Rules 15A NCAC 13C .0300. I am aware that there are significant penalties for willfully submitting false, inaccurate or incomplete information."

Leonard Moretz
(Name of Registered Site Manager)

* Leonard Moretz
(Signature of Registered Site Manager)

* 1-14-11
Date

North Carolina (Enter State)

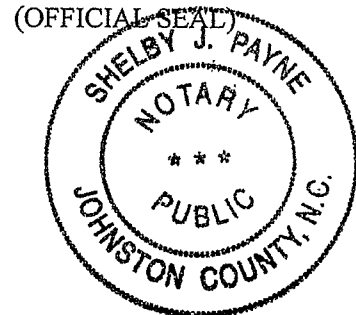
Johnston COUNTY

I, Shelby J Payne, a Notary Public of said County and State, do hereby certify that Leonard Moretz did personally appear and sign before me this day, produced proper identification in the form of NC Driver license, was duly sworn or affirmed, and declared that, he or she is the duly authorized environmental consultant of the remediating party of the property referenced above and that, to the best of his or her knowledge and belief, after thorough investigation, the information contained in the above certification is true and accurate, and he or she then signed this Certification in my presence.

WITNESS my hand and official seal this 14 day of January, 2011.

Shelby J Payne
Notary Public (signature)

My commission expires: May 10 2014





OUR CLIENTS DEMAND A SMARTER SOLUTION

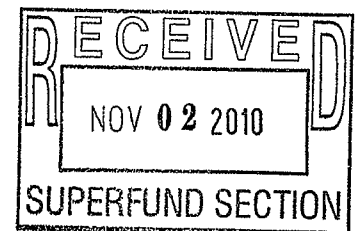
Via Hand Delivery

November 2, 2010

NC Division of Waste Management
Superfund Section
Inactive Hazardous Sites Branch
1646 Mail Service Center
Raleigh, NC 27699-1646

Attn: Mr. Kim Caulk

RE: Remedial Investigation Work Plan
Trion, Inc. Facility
101 McNeill Road
Sanford, North Carolina
Site ID No.: NONCD0002843
H&H Job No. BAI-001



REC'D FAD

Dear Kim:

Hart and Hickman, PC (H&H) has prepared one hard copy and one PDF version on CD of the October 20, 2010 Remedial Investigation Work Plan for the above-referenced site.

If you have any questions or comments please contact me at (919) 847-4241.

Sincerely,

Hart and Hickman, PC

Leonard C. Moretz, L.G., R.S.M.
Project Director/Raleigh Branch Manager



North Carolina Department of Environment and Natural Resources

Dexter Matthews, Director

Division of Waste Management

Beverly Eaves Perdue, Governor
Dee Freeman, Secretary

August 24, 2010

Mr. Harold J. Kessler
Barrier Advisors, Inc.
13455 Noel Road, Suite 2200
Dallas, TX 75240

REC-LEAD

Re: Executed REC Administrative Agreement
Trion, Inc.
Sanford, Lee County, NC
Site ID No. NONCD0002843

Dear Mr. Kessler:

I have enclosed a copy of the executed Registered Environmental Consultant (REC) Administrative Agreement (AA) for the above referenced site. The effective date of the AA is August 24, 2010. By signing the AA, both the Remediator and the REC have acknowledged that the REC is fully accountable for complying with 15A NCAC 13C .0300 including the deadlines that are established upon execution of this AA and the standards of conduct for RECs in Section .0305(b). The first quarterly letter status report required by Section III.E of the AA is due January 15, 2011.

Per 15A NCAC 13C .0308, the REC must ensure that the Department's ascertainment of the most nearly applicable cleanup standards as would be applied under CERCLA/SARA are met. This includes an evaluation of structural vapor intrusion potential.

If you have any questions, please contact me.

Sincerely,

Kim T. Caulk
REC Program
Inactive Hazardous Sites Branch
Superfund Section

Enclosure

cc: Mr. Leonard Moretz, Hart & Hickman (w/ enclosure)

**NORTH CAROLINA DEPARTMENT OF ENVIRONMENT
AND NATURAL RESOURCES
DIVISION OF WASTE MANAGEMENT
SUPERFUND SECTION**

REC-LEAD

IN RE: TRION, INC.
 NONCD 0002843
 SANFORD, NORTH CAROLINA
 LEE COUNTY

ADMINISTRATIVE AGREEMENT
FOR REGISTERED ENVIRONMENTAL
CONSULTANT-DIRECTED ASSESSMENT
AND REMEDIAL ACTION PURSUANT TO
N.C.G.S. 130A-310.9(c) and 15A NCAC 13C .0300.

DOCKET NUMBER ¹⁰~~10~~-SF-337

I. STATEMENT OF PURPOSE

The purpose of this Administrative Agreement (Agreement) is to provide for implementation by Trion Inc. (the Remediator) of a voluntary remedial action program pursuant to N.C.G.S. 130A-310.9(c) and 15A NCAC 13C .0300 at the site defined in Section II. A. of this Agreement.

II. STIPULATIONS OF FACT

A. The "Site" is any area on the property located at 101 McNeill Road in Sanford, Lee County, North Carolina and currently owned by Air System Components, Inc. where a hazardous substance has been disposed, deposited, placed or discharged and any other area or property to which the contamination from that disposal, deposition, placement or discharge has come to be located.

B. The Site is an inactive hazardous substance or waste disposal site within the meaning of N.C.G.S. 130A-310(3).

III. WORK TO BE PERFORMED

A. The Remediator shall conduct a voluntary remedial action at the Site in accordance with the provisions of N.C.G.S. 130A-310.9(c), 15A NCAC 13C .0300, and the "Registered Environmental Consultant Program Implementation Guidance" of the North Carolina Division of Waste Management (the Division). The voluntary remedial action shall include the remediation of any hazardous substances as defined in G.S. 130A-310(2) and any contaminants as defined in 15A NCAC 2L present at the Site.

B. Within thirty-six (36) months after the execution of this Agreement, the Remediator shall complete a remedial investigation at the Site which complies with the provisions of 15A NCAC 13C .0300 including, but not limited to, .0302(f), .0302(k)-(p), .0306(c)-(h) and .0306(q). For any requirement that has already been met, the Remediator shall specify the location within the document(s) on file with the Superfund Section that show(s) that the requirement has been met. The remedial investigation shall not be considered complete until the Remediator has submitted a remedial investigation report and completion statement, both certified in accordance with .0306(b) by the REC and the Remediator.

C. Within twenty-four (24) months of completion of the remedial investigation or within sixty (60) months after the execution of this Agreement, whichever is earlier, the Remediator shall initiate groundwater remedial action at the Site in compliance with the provisions of 15A NCAC 13C .0300 including, but not limited to, .0302(f), .0302(k) - (p), .0306(c) - (d) and .0306(i) - (n). For any requirement that has already been met, the Remediator shall specify the location within the document(s) on file with the Superfund Section that show(s) that the requirement has been met. Groundwater remedial action shall be considered initiated only upon the submission to the Division of the groundwater remedial action construction completion report, certified in accordance with .0306(b) by the REC and the Remediator, and upon commencement of the actual operation of the remedial system. The remedial action for groundwater shall not be considered complete until the Remediator has submitted, for groundwater, a remedial action completion report and work phase completion statement, both certified in accordance with .0306(b) by the REC and the Remediator.

D. Within ninety-six (96) months after the execution of this Agreement, the Remediator shall complete, for wastes, soils, surface water and sediments at the Site, a remedial action which complies with the provisions of 15A NCAC 13C .0300 including, but not limited to, .0302(f), .0302(k) - (p), .0306(c) - (d), .0306(i) - (n) and .0308. For any requirement that has already been met, the Remediator shall specify the location within the document(s) on file with the Superfund Section that show(s) that the requirement has been met. The remedial action for wastes, soils, surface water and sediments shall not be considered complete until the Remediator has submitted, for these media, a remedial action completion report and work phase completion statement, both certified in accordance with .0306(b) by the REC and the Remediator.

E. The Remediator shall submit quarterly letter status reports on or before the 15th day of January, April, July and October of each year until such time as the REC has prepared and submitted certified completion statements for all contaminated media pursuant to 15A NCAC 13C .0306(b)(5)(D). Each quarterly status report must summarize, in one to two paragraphs, work performed since the last quarterly status report. These status reports must include a statement confirming work is progressing in a manner to achieve the mandatory work phase completion deadlines set out in 15A NCAC 13C .0302(h). These status reports must be certified in accordance with .0306(b) by the REC assigned to this project and the Remediator. A quarterly letter status report may be incorporated with another document such as a remedial investigation work plan, a remedial investigation report, a remedial action plan, etc. if such other document is submitted at the time when a quarterly letter status report is due. Once the REC has prepared and submitted certified completion statements for all

contaminated media pursuant to 15A NCAC 13C .0306(b)(5)(D), quarterly letter status reports under this paragraph shall be supplanted with the requirements of progress reporting of remedial action implementation pursuant to 15A NCAC 13C .0306(o).

F. If, after the remedial investigation has been completed pursuant to 15A NCAC 13C .0306(e), .0306(f), and .0306(h), there is groundwater contamination at the Site in excess of cleanup levels established pursuant to 15A NCAC 13C .0308, the Remediator shall install and monitor sentinel groundwater monitoring wells or utilize existing wells that serve this purpose such that groundwater monitoring data obtained from ongoing monitoring activities will accurately monitor the migration of any contamination at the Site toward any drinking water or production water well that is known to be present within one-thousand (1000) feet of the detectible perimeter of the groundwater contamination at the Site. The Remediator shall notify the Division within twenty-four (24) hours of the time when the Remediator or the Remediator's REC discovers that a sentinel groundwater monitoring well has detectable concentrations of any contamination.

G. After completing the inventory of all identifiable wells used as sources of potable water pursuant to 15A NCAC 13C .0306(g)(6), if any new drinking water wells are installed within one-thousand five-hundred (1500) feet of the Site property boundaries, the Remediator shall notify the Division within twenty-four (24) hours of the time when the Remediator or the Remediator's REC discovers or otherwise finds out about such wells during the normal course of work for the project.

H. If hazardous substances as defined in G.S. 130A-310(2) or other contaminants as defined in 15A NCAC 2L for which the Remediator is responsible have affected any drinking water wells, the Remediator shall, within a time period established by the Division, provide an alternate drinking water source for users of those wells.

I. The Remediator shall ensure that remedial action progress reports are prepared in accordance with 15A NCAC 13C .0306(o).

IV. ADDITIONAL PROVISIONS

A. All work performed pursuant to this Agreement shall be under the direction and supervision of the Division-approved REC specified in Attachment A, in accordance with 15A NCAC 13C .0302(f).

B. All work plans, reports, completion statements and project schedules prepared pursuant to this Agreement shall be certified by a representative of the Remediator in accordance with 15A NCAC 13C .0306(a) and .0306(b)(2).

C. In the event that the REC specified in Attachment A ceases to serve in that capacity at the Site or is disqualified as an REC by the Division, the Remediator's voluntary remedial action status shall be subject to revocation if the Remediator fails to propose a replacement REC within sixty (60) days, in accordance with 15A NCAC 13C .0302(n).

D. The Remediator shall pay an annual administration fee to the Division, in accordance with 15A NCAC 13C .0307(c), to help offset the costs of the Division's audits of voluntary remedial actions.

E. In the event that the Agreement is terminated, other than termination after remedial action completion and final certification by the REC, the Remediator shall, within thirty (30) days, submit to the Division a document containing all information and data that has been collected to date which has not yet been submitted to the Division in a completed certified document. Certification of this document shall be provided in accordance with 15A NCAC 13 C .0306(b)(1) and (2).

F. This is a voluntary agreement. If the Remediator elects to discontinue implementation of work under this Agreement, the Remediator shall notify the Division in writing of such intent and this Agreement shall be dissolved upon the Division's receipt of such written notice. If the Division determines that the Remediator is not complying with the terms of this Agreement in a timely manner, the Division may notify the Remediator in writing of such determination, and the Agreement shall be dissolved upon the Remediator's receipt of such written notice. Further, should the United States Environmental Protection Agency ("the EPA") list the Site, or any portion of it, on the National Priorities List ("the NPL"), should the Site score high enough for listing on the NPL, or should the Division state in writing to the Remediator that it desires that the EPA not be limited in its authority under any portion of the Comprehensive Environmental Response, Compensation and Liability Act, codified at 42 U.S.C. §§ 9601 to 9675, by the existence of this Agreement, then either party may dissolve this Agreement except of the rights and obligations specified in Attachment A. Dissolution on the basis of NPL scoring or to remove any bar to EPA's authority shall be without prejudice to either party to enter into an Administrative Agreement at a later date if allowed by, and subject to, North Carolina law then existing regarding Administrative Agreements. In any of these events, neither party may seek judicial review of the dissolution of this Agreement or has any right, claim or action for breach of this Agreement. In any of these events, the Division shall retain all its applicable enforcement rights against the Remediator, and the Remediator shall retain all applicable defenses. Notwithstanding the foregoing or the subsequent dissolution of this Agreement and the rights, obligations and duties contained therein, shall survive the dissolution of this Agreement.

G. Pursuant to 15A NCAC 13C .0302(g), the Division shall have complete discretion to effect cleanup itself, or directly oversee a Remediator's cleanup, if the Division determines that the Site poses an imminent hazard, if there is significant public concern, if the Division has initiated an enforcement action, if the Division is concerned about material misrepresentations or environmental non-compliance on the part of a party seeking to effect or effecting remedial action at the Site pursuant to this Section, if hazardous substances have migrated to adjoining property, or if other conditions, such as the presence of sensitive environments or mixed wastes (commingled radioactive and chemical wastes), so warrant.

H. To the extent not barred by North Carolina law, the undersigned Remediator agrees to indemnify and save and hold harmless the State of North Carolina and its agencies,

departments, officials, agents, employees, contractors and representatives, from any and all claims or causes of action arising from or on account of acts or omissions of the Remediator or its officers, employees, receivers, trustees, agents or assigns in carrying out actions required pursuant to the Agreement.

I. Neither the State of North Carolina nor any agency or representative thereof shall be held to be party to any contract involving the Remediator relating to the Site excluding, however, this Agreement.

J. Barrier Advisors, Inc., as Plan Administrator of Trion, Inc., and as Trustee of the FC Term Lenders Liquidating Trust ("Barrier") hereby certifies that it is fully authorized to enter into the terms and conditions of this Agreement and to execute and legally bind the Remediator to this Agreement. A copy of the Confirmation Order of the U.S. Bankruptcy Court for the District of Delaware approving the appointment of Barrier as Plan Administrator for Trion, Inc. and a copy of the FC Term Lenders Liquidating Trust Agreement, providing for Barrier's authorization to enter into agreements on behalf of the Liquidating Trust, are incorporated into this Agreement and attached hereto, respectively as Attachments B and C.

The effective date of this Agreement shall be the date on which it is executed by Jack R. Butler.

Date Executed: August 24, 2010

By: Jack R. Butler
Jack R. Butler, P.E.
Chief, Superfund Section
Division of Waste Management
North Carolina Department of Environment
and Natural Resources

By: [Signature]
(Signature of Party Authorized to Bind Remediator)

Harold Kessler
(Typed or Printed Name of Signatory, Title)

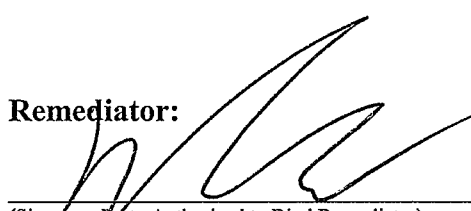
Barrier Advisors, Inc. as
Plan Administrator for Trion, Inc. and Trustee of the
FC Term Lenders Liquidating Trust

Attachment A: Confirmation of Retention of a Registered Environmental Consultant

We hereby certify that the Remediator has retained the undersigned Division-approved Registered Environmental Consultant (REC) to implement and oversee a voluntary remedial action at the Site pursuant to N.C.G.S. 130A-310.9(c) and 15A NCAC 13C .0300, and that the undersigned Division-approved Registered Site Manager (RSM) shall serve as RSM for the voluntary remedial action.

The Remediator affirms that the REC has been provided a full and complete copy of this Agreement prior to signature. The undersigned REC representatives affirm that they have received and read this Agreement. Both the Remediator and REC acknowledge that the REC is fully accountable for complying with 15A NCAC 13C .0300 including the deadlines established upon execution of this Agreement. Should the contractual relationship between the REC and the Remediator terminate or should the REC otherwise cease to be REC of the Site for whatever reason, the Remediator and/or REC shall give notice to the Division in writing within ten (10) days of that termination or cessation.

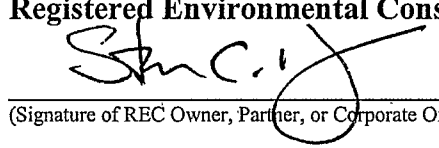
Remediator:


(Signature Party Authorized to Bind Remediator) (Date)

Harold J. Kessler
(Typed or Printed Name of Signatory, Title)

Barrier Advisors, Inc. as
Plan Administrator for Trion, Inc. and Trustee of the
FC Term Lenders Liquidating Trust

Registered Environmental Consultant:


(Signature of REC Owner, Partner, or Corporate Officer) (Date)

Steven C. Hart, President
(Typed or Printed Name of Signatory, Title)

Hart & Hickman, PC
(Typed or Printed Name of REC Firm)

Registered Site Manager:

Leonard Moretz 8/10/10
(RSM Signature) (Date)

Leonard Moretz
(Typed or Printed Name of RSM)

Attachment B

IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE

In re:

FEDDERS NORTH AMERICA, INC.,
n/k/a FNA Liquidating, Inc., *et al.*,

Debtors.¹

Chapter 11

Case No. 07-11176 (BLS)

Jointly Administered

Related to D.I. 1300, 1365 and 1441

ORDER CONFIRMING DEBTORS' AND TERM LENDERS' AMENDED JOINT PLAN OF LIQUIDATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE (AS MODIFIED ON AUGUST 21, 2008)

¹ The Debtors are: (1) Fedders North America, Inc., n/k/a FNA Liquidating, Inc.; (2) Columbia Specialties, Inc.; (3) Emerson Quiet Kool Corporation, n/k/a EQKC Liquidating, Inc.; (4) Enviroco Corporation; (5) Eubank Coil Company; (6) FJCC Florida Liquidating, Inc. f/k/a Fedders Addison Company, Inc.; (7) Fedders Corporation; (8) Fedders Holding Company, Inc., n/k/a FHC Liquidating, Inc.; (9) Fedders, Inc.; (10) Fedders International, Inc. (a Delaware corporation), n/k/a FI Liquidating, Inc.; (11) Fedders Investment Corporation, n/k/a FIC Liquidating, Inc.; (12) Fedders Islandaire, Inc. (a New York corporation), n/k/a FI Liquidating, Inc.; (13) Fedders Outlet, Inc., n/k/a FO Liquidating, Inc.; (14) Hermidifier Company, Inc.; (15) Island Metal Fabricating Inc.; (16) Rotorex Company, Inc.; and (17) Trion, Inc.

RECITALS

WHEREAS, Fedders North America, Inc., Columbia Specialties, Inc., Emerson Quiet Kool Corporation, Enviroco Corporation, Eubank Coil Company, Fedders Addison Company, Inc., Fedders Corporation, Fedders Holding Company, Inc., Fedders, Inc., Fedders International, Inc., Fedders Investment Corporation, Fedders Islandaire, Inc., Fedders Outlet, Inc., Herrmidifier Company, Inc., Island Metal Fabricating, Inc., Rotorex Company, Inc., and Trion, Inc. (collectively, the "Debtors"), together with Goldman Sachs Credit Partners, L.P., Camulos Master Fund L.P., and Highland Capital Management, L.P. (collectively, the "Term Lenders," and together with the Debtors, the "Plan Proponents"), proposed Debtors' and Term Lenders' Joint Plan of Liquidation under Chapter 11 of the Bankruptcy Code (as Modified on July 15, 2008) (D.I. 1300), as amended on August 18, 2008 (D.I. 1441), and as further modified on August 21, 2008 (Debtors' Exhibit 6 at the Confirmation Hearing and as attached hereto as Exhibit A) (the "Plan");²

WHEREAS, on July 16, 2008, the Bankruptcy Court entered the Order (I) Approving Disclosure Statement, (II) Approving Dates, Procedures, and Forms Applicable to Plan Solicitation Process, (III) Approving Vote Tabulation Procedures, and (IV) Establishing Objection Deadline and Scheduling Hearing to Consider Confirmation of Plan (the "Solicitation Procedures Order") (D.I. 1299), by which the Bankruptcy Court, among other things, approved

² Capitalized terms and phrases used but not defined in this order (the "Confirmation Order") shall have the same meanings ascribed to them in the Plan. In addition, in accordance with Article I of the Plan, any term used in the Plan or in this Confirmation Order that is not defined in the Plan or this Confirmation Order, but that is used in the United States Bankruptcy Code, 11 U.S.C. §§ 101-1532, as amended (the "Bankruptcy Code"), or the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), shall have the meaning given to that term in the Bankruptcy Code or the Bankruptcy Rules, as applicable.

the Second Amended Disclosure Statement Pursuant to section 1125 of the Bankruptcy Code with Respect to Debtors' and Term Lenders' Joint Plan of Liquidation Under Chapter 11 of the Bankruptcy Code (as Modified on July 15, 2008) (the "Disclosure Statement"); approved the established procedures for the solicitation and tabulation of votes to accept or reject the Plan; and scheduled a hearing to consider confirmation of the Plan to commence on August 21, 2008 at noon, prevailing Eastern Time (the "Confirmation Hearing");

WHEREAS, on July 16, 2008, a Notice of Hearing to Consider Confirmation of, and Deadline for Objecting to, Debtors' and Term Lenders' Joint Plan of Liquidation (as Modified on July 15, 2008) was filed with the Bankruptcy Court (D.I. 1302).

WHEREAS, as set forth in the affidavits of Kathleen M. Logan, the President and CEO of Logan & Company, Inc. ("Logan"), the Debtors' solicitation, noticing and balloting agent (the "Balloting Agent"), in accordance with the Solicitation Procedures Order, (a) the Confirmation Hearing Notice, the Disclosure Statement with the Plan as Exhibit A thereto, the appropriate Ballot(s), a letter from Brown Rudnick, and a business reply envelope (collectively, the "Solicitation Package") was mailed to each holder of claims in the voting Classes entitled to vote in Classes 2A-Q, 3A-Q, and 4A-Q; (b) a Notice of Non-Voting Status was mailed to the holders of Administrative Claims, Priority Tax Claims, and Priority Non-Tax Claims in Classes 1A-Q; (c) a the Notice of Deemed Rejecting Status was mailed to the holders of Class 5G Equity Interests; and (d) a Notice of Disputed Claims Status was mailed to each holder of Claims in Classes 2A-Q, 3A-Q, and 4A-Q whose claim was (i) asserted as wholly unliquidated, (ii) untimely, or (iii) the subject of an objection as to the entirety of the claim pending as of the Record Date (collectively, the "Affidavits of Service") (D.I. 1420 through 1427).

WHEREAS, as set forth in the Declaration of Service by Publication of Notice of Hearing to Consider Confirmation of, and Deadline for Objecting to, Debtors' and Term Lenders' Joint Plan of Liquidation (as Modified on July 15, 2008), executed by Adam B. Levin, of Miller Legal Services, notice of the Confirmation Hearing was published in The Wall Street Journal (National and International Editions), the Effingham Daily News, Newsday, the Longview News-Journal, the Orlando Sentinel, the Sanford Herald, the Bridgewater Courier News, and the Albuquerque Daily Journal (D.I. 1433);

WHEREAS, in accordance with the terms of the Plan, the Debtors filed with the Bankruptcy Court a Plan Supplement, dated August 1, 2008, containing (a) the Term Lenders Liquidating Trust Agreement, (b) the GUC Liquidating Trust Agreement and (c) Schedule 8.1 of the Plan (the "Plan Supplement") (D.I. 1365);

WHEREAS, objections to confirmation of the Plan (collectively, the "Objections") were filed by: the United States Trustee (D.I. 1347), Keith Prosk (D.I. 1396), New York State Department of Taxation and Finance (D.I. 1397), Joseph and Gina Qualls (the "Qualls") (D.I. 1400), Ruby Hingson (D.I. 1407), ACE Property and Casualty Insurance Company, et al. (D.I. 1411), Maryland Casualty Company, et al. (D.I. 1412), ACE American Insurance Company, et al. (D.I. 1414) (ACE Property and Casualty Insurance Company, et al., Maryland Casualty Company, et al., and ACE American Insurance Company, et al. are collectively referred to as the "Objecting Insurers"), certain local Texas taxing authorities (D.I. 1415), and Ronco Mechanical Contractors, Inc. (D.I. 1455);

WHEREAS, on August 18, 2008, the Debtors filed the Notice of Filing of Debtors' and Term Lenders' Amended Joint Plan of Liquidation under Chapter 11 of the Bankruptcy Code (D.I. 1441);

WHEREAS, on August 18, 2008, the Plan Proponents filed the Plan Proponents' Memorandum of Law in Support of Confirmation of Debtors' and Term Lenders' Amended Joint Plan of Liquidation under Chapter 11 of the Bankruptcy Code (the "Confirmation Memorandum") (D.I. 1442);

WHEREAS, on August 19, 2008, the Debtors filed the Declaration of Kevin Fagan in Support of Debtors' and Term Lenders' Amended Joint Plan of Liquidation Under Chapter 11 of the Bankruptcy Code (the "Fagan Declaration") (D.I. 1443);

WHEREAS, on August 19, 2008, the Debtors filed the Declaration of Kent Hansen in Support of Debtors' and Term Lenders' Amended Joint Plan of Liquidation Under Chapter 11 of the Bankruptcy Code (the "Hansen Declaration") (D.I. 1444);

WHEREAS, on August 19, 2008, the Debtors filed the Declaration of Robert Laurent in Support of Debtors' and Term Lenders' Amended Joint Plan of Liquidation Under Chapter 11 of the Bankruptcy Code (the "Laurent Declaration") (D.I. 1445);

WHEREAS, on August 19, 2008, the Debtors filed the Declaration of Steven Cohn in Support of Debtors' and Term Lenders' Amended Joint Plan of Liquidation Under Chapter 11 of the Bankruptcy Code (the "Cohn Declaration" and together with the Fagan Declaration, the Hansen Declaration and the Laurent Declaration, the "Declarations") (D.I. 1446);

WHEREAS, on August 19, 2008, the Debtors filed the Declaration of Kathleen M. Logan Certifying Voting on, and Tabulation of, Ballots Accepting and Rejecting Debtors' and Term

Lenders' Joint Plan of Liquidation under Chapter 11 of the Bankruptcy Code (as Modified on July 15, 2008) (the "Logan Tabulation Report") (D.I. 1447);

WHEREAS, as indicated in the Logan Tabulation Report, every Class populated by Claims entitled to vote on the Plan, voted to accept the Plan;

WHEREAS, the Court held the Confirmation Hearing on August 21, 2008, and (i) heard the statements of counsel in support of confirmation and the arguments of parties with unresolved Objections, and (ii) considered the record made and the evidence presented, at the Confirmation Hearing;

NOW THEREFORE, based upon the Court's review of, among other things, the Plan, the Plan Supplement, the Disclosure Statement, the Solicitation Procedures Order, the Confirmation Memorandum, the Declarations submitted in support of the Plan, the Logan Tabulation Report, all of the evidence proffered or adduced at, the Objections filed in connection with, and the arguments of counsel made at, the Confirmation Hearing and all prior proceedings in these Chapter 11 Cases; and after due deliberation, and good cause appearing:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

IT IS FOUND AND DETERMINED THAT³

A. Jurisdiction; Venue; Core Proceeding (28 U.S.C. §§ 157(b)(2) and 1334(a)). This Court has jurisdiction over the Chapter 11 Cases under 28 U.S.C. §§ 157 and 1334. Venue of the Chapter 11 Cases in the District of Delaware was proper as of the Petition Date, under 28 U.S.C. §§ 1408 and 1409, and continues to be proper. Confirmation of the Plan is a core proceeding

³ Findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact when appropriate. See Fed. R. Bankr. P. 7052.

under 28 U.S.C. § 157(b)(2). This Court has subject matter jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and the Court has exclusive jurisdiction to determine whether the Plan complies with the applicable provisions of the Bankruptcy Code and should be confirmed.

B. Judicial Notice. This Court takes judicial notice of the docket in these Chapter 11 Cases maintained by the Clerk and/or its duly appointed agent, including without limitation, all pleadings and other documents filed, all proceedings during the Chapter 11 Cases, and all orders entered during the pendency of the Chapter 11 Cases.

C. Outline of the Plan. In addition to Administrative Claims and Priority Tax Claims, which need not be classified, the Plan designates the following Classes of Claims and Interests:

Classes 1A-Q	Priority Non-Tax Claims for each of the Estates
Classes 2A-Q	Term Lenders Claims for each of the Estates
Classes 3A-Q	Other Secured Claims for each of the Estates
Classes 4A-Q	General Unsecured Claims for each of the Estates
Classes 5A-Q	Equity securities in each of the Estates

D. Transmittal and Mailing of Materials; Notices. The Solicitation Package was transmitted and served upon all interested parties in compliance with the Solicitation Procedures Order and in compliance with the Bankruptcy Rules, and such transmittal and service was adequate and sufficient. Notice of the Confirmation Hearing and all deadlines in the Solicitation Procedures Order were given in compliance with the Bankruptcy Rules and the Solicitation Procedures Order, and was good and sufficient notice in accordance with Bankruptcy Rules 2002(b) and 3020(b)(2), and no other or further notice is required. Votes for acceptance or rejection of the Plan were solicited in good faith, after transmittal of the Disclosure Statement

containing adequate information, and otherwise in compliance with Bankruptcy Code sections 1125 and 1126 and Bankruptcy Rules 3017 and 3018.

E. Receipt of Tabulation of Votes. The procedures used by Logan to receive and tabulate Ballots and Master Ballots from the holders of Claims in the voting Classes, as set forth in the Logan Tabulation Report, were proper and appropriate and in compliance with the Solicitation Procedures Order, the Bankruptcy Code, the Bankruptcy Rules, and Local Rules of the Bankruptcy Court for the District of Delaware, and all other applicable rules, laws and regulations. As described in the Logan Tabulation Report, which certified both the method and results of the voting, the Plan was accepted by all of the impaired Classes entitled to vote. The Debtors, therefore, obtained the requisite acceptance both in number and amount for confirmation of the Plan.

F. Class 5G Equity Interests. The Court finds that, under the Plan, Class 5G Equity Interests are impaired. Therefore, pursuant to section 1126(g) of the Bankruptcy Code, Class 5G Equity Interests are conclusively deemed to have rejected the Plan.

G. Classes 5A through F and 5H through Q Equity Interests. The Court finds that, under the Plan, Classes 5A through F and 5H through Q equity interests are not impaired as that term is defined in section 1124 of the Bankruptcy Code, and, therefore, pursuant to section 1126(f) of the Bankruptcy Code, holders of Classes 5A through F and 5H through Q equity interests are conclusively presumed to have accepted the Plan.

H. Identification of Plan Proponents (Fed. R. Bankr. P. 3016(a)). As required by Fed. R. Bankr. P. 3016(a), the Plan is dated and identifies the proponents of the Plan.

I. Good Faith Solicitation (11 U.S.C. § 1125(e)). Each of the (i) Debtors and their respective directors, officers, agents, affiliates, representatives, attorneys and advisors; (ii) the Term Lenders and their respective representatives, attorneys and advisors; (iii) the Creditors' Committee, and its members, and the respective representatives, attorneys and advisors thereof; have solicited votes on the Plan in good faith and in compliance with the applicable provisions of the Bankruptcy Code and the Solicitation Procedures Order, and are entitled to the protections afforded by section 1125(e) of the Bankruptcy Code and the release and exculpation provisions set forth in Article 9.4 of the Plan.

J. Burden of Proof. The Debtors, as Plan Proponents, have met their burden of proving each of the required elements of section 1129 of the Bankruptcy Code by a preponderance of evidence, which is the applicable evidentiary standard. The Court also finds that the Debtors have satisfied the elections of section 1129(a) and 1129(b) of the Bankruptcy Code under the clear and convincing standard of proof.

K. Plan Compliance With Bankruptcy Code (11 U.S.C. § 1129(a)(1)). The Plan complies with the applicable provisions of the Bankruptcy Code and the Bankruptcy Rules, thereby satisfying section 1129(a)(1) of the Bankruptcy Code.

i. Proper Classification (11 U.S.C. §§ 1122, 1123(a)(1)). Sections 1122(a) and 1123(a)(1) of the Bankruptcy Code are satisfied because the Plan adequately and properly classifies all Claims and Equity Interests. A reasonable basis exists for the classification of Claims and Equity Interests in the Plan. The classification of Claims and Equity Interests within each particular Class is reasonable and necessary to implement the Plan.

ii. Specification of Unimpaired Classes (11 U.S.C. § 1123(a)(2)). Section 1123(a)(2) of the Bankruptcy Code is satisfied because the Plan identifies Classes 1A-Q and 5A-F and 5H-Q as unimpaired.

iii. Specification of Impaired Classes (11 U.S.C. § 1123(a)(3)). Section 1123(a)(3) of the Bankruptcy Code is satisfied because the Plan identifies Classes 2A-Q, 3A-Q, 4A-Q and 5G as impaired.

iv. No Discrimination (11 U.S.C. § 1123(a)(4)). Section 1123(a)(4) of the Bankruptcy Code is satisfied because the Plan provides the same treatment for each Claim or Equity Interest in each Class.

v. Implementation of the Plan (11 U.S.C. § 1123(a)(5)). Section 1123(a)(5) of the Bankruptcy Code is satisfied because Article VI of the Plan provides adequate means for its implementation including, but not limited to: (i) the creation of the Term Lenders Liquidating Trust and GUC Liquidating Trust (collectively, the "Trusts"), (ii) the appointment of trustees, to among other things, manage, prosecute, and settle the Trust Assets, and (iii) the transfer of certain of the Debtors' assets to the Trusts.

vi. Charter Requirements (11 U.S.C. § 1123(a)(6)). Section 1123(a)(6) of the Bankruptcy Code requires that a plan provide for the inclusion in a corporate debtor's charter provisions prohibiting the issuance of nonvoting equity securities, and providing for an "appropriate distribution" of voting power among those securities possessing voting power. In these liquidating cases, the requirements of section 1123(a)(6) do not apply.

vii. Designation of Officers and Directors (11 U.S.C. § 1123(a)(7)). Article 12.3 of the Plan provides that, as of the Effective Date, all of the directors and officers of the Debtors shall be deemed to have resigned, with their services terminated as of the Effective Date. The Plan also provides that, if necessary or desirable to appoint any officers or directors for any of the Debtors after the Effective Date, to assist in implementing the Plan, the Plan Administrator shall be authorized to make any such appointments, in which event a notice of any such appointment shall be filed with the Court (prior to entry of a Final Order closing the Debtors' cases) to disclose the identity of such officers and/or directors. The Plan's provisions for the selection and appointment of the Plan Administrator and the GUC Trustee are consistent with the interests of creditors and equity security holders and with public policy. Thus, section 1123(a)(7) of the Bankruptcy Code is satisfied.

viii. Additional Plan Provisions (11 U.S.C. § 1123(b)). The Plan's provisions are appropriate and consistent with the applicable provisions of the Bankruptcy Code, including, without limitation, provisions for (i) distributions to holders of Claims; (ii) the disposition of executory contracts and unexpired leases; (iii) the retention of, and right to enforce, settle, or compromise (or refuse to do any of the foregoing with respect to) certain claims or causes of action against third parties, to the extent not waived and released under the Plan; (iv) resolution of Disputed Claims; (v) allowance of certain Claims; (vi) indemnification obligations; (vii) releases by the Debtors; and (viii) exculpation with respect to certain actions related to or taken in furtherance of the Chapter 11 Cases.

L. Compliance with Bankruptcy Code (11 U.S.C. § 1129(a)(2)). The Debtors and the Term Lenders, as Plan Proponents, have complied with all applicable provisions of the Bankruptcy Code, thereby satisfying section 1129(a)(2) of the Bankruptcy Code. Specifically:

i. Each of the Debtors filed a Chapter 11 petition under Bankruptcy Code section 301. Each Debtor is a proper Debtor under Bankruptcy Code section 109.

ii. The Debtors and Term Lenders are proper proponents under the Plan under section 1121(a) of the Bankruptcy Code.

iii. The Debtors and Term Lenders complied with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules and the Solicitation Procedures Order in transmitting the Solicitation Package and related documents and notices and in soliciting and tabulating votes on the Plan.

iv. The Debtors and their respective directors, officers, agents, affiliates, representatives, attorneys, advisors and other professionals who have participated in the Chapter 11 Cases have acted in "good faith" and in compliance with all applicable provisions of the Bankruptcy Code in the formulation, preparation, and dissemination of the Plan.

M. Plan Proposed in Good Faith (11 U.S.C. § 1129(a)(3)). The Debtors have proposed the Plan, including all documents necessary to effectuate the Plan, including, but not limited to those contained in the Plan Supplement, in good faith and not by any means forbidden by law, thereby satisfying Bankruptcy Code section 1129(a)(3). In determining that the Plan has been proposed in good faith, the Court has examined the totality of the circumstances surrounding the formulation of the Plan and all amendments and modifications thereto. Based on the evidence presented at, or in the Declarations filed in connection with, the Confirmation Hearing, the Plan is the product of intense, good faith negotiations and compromise among the Debtors, Term Lenders and Creditors' Committee. The Plan Proponents and their current officers, directors employees, agents and professionals also all have acted in good faith in connection with the proposal of the Plan, and thus section 1129(a)(3) is satisfied.

N. Payments for Services or Costs and Expenses (11 U.S.C. § 1129(a)(4)). Pursuant to Article 12.5 of the Plan, from and after the Effective Date of the Plan, the Plan Administrator (including in its capacity as Trustee under the Term Lenders Liquidating Trust) shall, in the ordinary course of business and without the necessity for Court approval, pay the reasonable fees and expenses of professional persons thereafter employed by the Debtors or Plan Administrator in connection with the implementation or consummation of the Plan; provided, however, that no fees or expenses arising after the Effective Date and relating to the Lawsuit or the GUC Liquidating Trust shall be paid by the Plan Administrator. Accordingly, the Plan satisfies section 1129(a)(4) of the Bankruptcy Code.

O. Directors, Officers and Insiders (11 U.S.C. § 1129(a)(5)). The Debtors and Term Lenders have complied with section 1129(a)(5) of the Bankruptcy Code, and have disclosed the identity of the trustee under the Term Lenders Liquidating Trust, Barrier Advisors, Inc., and the trustee under the GUC Liquidating Trust, Alan Halperin, Esquire. Accordingly, the Plan satisfies section 1129(a)(5) of the Bankruptcy Code.

P. No Rate Changes (11 U.S.C. § 1129(a)(6)). Section 1129(a)(6) of the Bankruptcy Code is inapplicable because the Debtors' business will cease and will not involve rates established or approved by, or otherwise subject to, any governmental regulatory commission.

Q. Best Interest of Creditors Test (11 U.S.C. § 1129(a)(7)). The Plan satisfies Bankruptcy Code section 1129(a)(7). Specifically:

i. The Best Interest of Creditors Analysis contained in the Disclosure Statement at Appendix C, the Fagan Declaration, Cohn Declaration, and the other evidence proffered or adduced at the Confirmation Hearing (a) are persuasive and credible, (b) have not been controverted by other evidence or challenged in any Objections to the Plan, (c) are based upon reasonable and sound assumptions, and (d)

provide a reasonable estimate of the liquidation values of the Debtors upon conversion to cases under chapter 7 of the Bankruptcy Code.

ii. Based on the Best Interest of Creditors Analysis, the Plan satisfies the Best Interest test of section 1129(a)(7), as estimated recoveries for each creditor of Classes 3A-Q (Other Secured Claims) and Classes 4A-Q and Class 5G, are equal to or in excess of the recoveries each such creditors would receive in a case under Chapter 7 of the Bankruptcy Code.

R. Acceptance by Certain Classes (11 U.S.C. § 1129(a)(8)). All voting classes of impaired claims -- Classes 2A-Q, 3A-Q and 4A-Q -- have voted to accept the Plan. Impaired Class 5G is not entitled to receive or retain any property on account of interests held by members of Class 5G. Therefore, pursuant to section 1126(g) of the Bankruptcy Code, Class 5G is deemed not to have accepted the Plan and the Debtors must satisfy the fair and equitable standard of section 1129(b) of the Bankruptcy Code.

S. Treatment of Administrative and Priority Claims (11 U.S.C. § 1129(a)(9)). The treatment of the Administrative Claims under Article 3.1 of the Plan, Priority Tax Claims under Article 3.2 of the Plan, and Priority Non-Tax Claims under Article 4.1 of the Plan, satisfies the requirements of section 1129(a)(9) of the Bankruptcy Code.

T. Acceptance by Impaired Class (11 U.S.C. § 1129(a)(10)). As set forth in the Logan Tabulation Report and as reflected in the record at the Confirmation Hearing, at least one class of Claims that is impaired under the Plan has accepted the Plan, determined without including any acceptance of the Plan by any insider of the Debtors holding a claim in such class, thereby satisfying section 1129(a)(10) of the Bankruptcy Code.

U. Feasibility (11 U.S.C. § 1129(a)(11)). Section 1129(a)(11) of the Bankruptcy Code is satisfied because confirmation of the Plan is not likely to be followed by the liquidation

or the need for further financial reorganization of the Debtor, other than the liquidation contemplated by the Plan.

V. Payment of Fees (11 U.S.C. § 1129(a)(12)). Section 1129(a)(12) of the Bankruptcy Code is satisfied because all fees payable pursuant to 28 U.S.C. § 1930 have been paid or, pursuant to Article 12.7 of the Plan, will be paid on the Effective Date of the Plan, and the Plan Administrator will pay all such fees as they become due post-confirmation.

W. Continuation of Retiree Benefits (11 U.S.C. § 1129(a)(13)). Section 1129(a)(13) of the Bankruptcy Code is satisfied because, as provided in Article 8.4 of the Plan, the Debtors or the Plan Administrator, as the case may be, shall continue to pay all retiree benefits, as that term is defined in section 1114 of the Bankruptcy Code, if any, at the level required by section 1114, for the duration of the period for which the Debtors are obligated to provide any such benefits.

X. No Unfair Discrimination: Fair and Equitable (11 U.S.C. § 1129(b)). The Plan may be confirmed notwithstanding the fact that Class 5G (equity securities in Fedders Corporation) is impaired under the Plan and is deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. The Plan complies with section 1129(b) by satisfying the requirements of section 1129(b)(1) and 1129(b)(2) of the Bankruptcy Code.

Y. Principal Purpose of the Plan (11 U.S.C. 1129(d)). The principal purpose of the Plan is not the avoidance of taxes or the avoidance of the application of section 5 of the Securities Act of 1933 (15 U.S.C. § 77e).

Z. Substantive Consolidation. The substantive consolidation contemplated by Article 6.1 of the Plan, which is supported by the Debtors, the Term Lenders and the Creditors'

Committee, is consistent with, and permissible under, applicable law in the Third Circuit. No parties other than the U.S. Trustee and certain insurers objected to substantive consolidation, and all parties have voted in favor of the Plan which is predicated upon the substantive consolidation of the Debtors into a single entity, Fedders North America, Inc., solely for the purpose of all actions and distributions under the Plan. The U.S. Trustee's objection has been withdrawn and Article 6.1 of the Plan has been amended and expressly provides that Insurance Policies, Insured Claims, and Potentially Insured Claims shall not be treated on a substantively consolidated basis.

AA. Approval of the Term Lenders Plan Settlement. In accordance with sections 105 and 1123(b)(3) of the Bankruptcy Code and Rule 9019 of the Bankruptcy Rules, the Plan embodies the agreement among the Debtors, the Term Lenders and the Creditors' Committee (the "Term Lenders Plan Settlement") for the compromise and settlement of all claims and controversies asserted by the Debtors or the Creditors' Committee, or that could be asserted by any party in interest, with respect to (a) the Debtors' and Estates' rights and claims under 11 U.S.C. § 506(c); (b) the Unencumbered Assets Allocation Issues, pursuant to which the Term Lenders have agreed to compromise their Adequate Protection Claims by accepting in full satisfaction thereof, as well as their Secured Claims, the distributions and payments to be made to the Term Lenders under the Plan, subject to the rights of the Term Lenders to assert the Defensive Claims in the Lawsuit; (c) the Term Lenders' Adequate Protection Claims; and (d) the extent, validity and priority of the Term Lenders' Secured Claims; provided, however, that nothing in the Term Lenders Plan Settlement or the Plan shall in any way release or settle any of the claims or causes of action in the Lawsuit against any of the defendants, other than the Counts of the Lawsuit specifically identified in Paragraph 4.2(b)(v) of the Plan, which Counts shall be

dismissed with prejudice. Pursuant to Bankruptcy Rule 9019, the Court has sound discretion to approve the Term Lenders Plan Settlement. The evidence at the Confirmation Hearing has demonstrated, after considering the range of possible outcomes, the complexity of the issues, the risks to the Debtors' estates of adverse outcomes, and the cost of litigation, the Term Lenders Plan Settlement is fair and reasonable under the circumstances, and therefore, the Term Lenders Plan Settlement should be approved under the standards of Bankruptcy Rule 9019 and section 1123(b)(3) of the Bankruptcy Code.

BB. Establishment of the Term Lenders Liquidating Trust. Article 6.4 of the Plan provides for the establishment of the Term Lenders Liquidating Trust, to be created by the Term Lenders Liquidating Trust Agreement, substantially in the form contained in the Plan Supplement (D.I. 1365), for the purpose of liquidating and distributing assets for the benefit of the Term Lenders, in accordance with Treasury Regulation section 301.7701-4(d), with no objective to continue to engage in the conduct of trade or business. In accordance with the Plan, the Trustee of the Term Lenders Liquidating Trust, Barrier Advisors, Inc., shall be the Plan Administrator. In accordance with the Plan, on the Effective Date, or such other later date, the Debtors will transfer all of the Term Lenders Liquidating Trust Assets to the Term Lenders Liquidating Trust. The costs and expenses of the Plan Administrator, including the fees and expenses of the Plan Administrator and his retained professionals, shall be paid out of the Term Lenders Liquidating Trust Assets and shall be considered administrative expenses of the Debtors' estates.

CC. Establishment of the GUC Liquidating Trust. Article 6.5 of the Plan provides for the establishment of the GUC Liquidating Trust, to be created by the GUC Liquidating Trust

Agreement, substantially in the form contained in the Plan Supplement (D.I. 1365), for the purposes set forth in Section 1.1 of the GUC Liquidating Trust Agreement. The GUC Liquidating Trust shall be established and operated in accordance with Treasury Regulation section 301.7701-4(d), with no objective to continue to engage in the conduct of trade or business. The Creditors' Committee has selected Alan Halperin, Esquire, to serve as Trustee under the GUC Liquidating Trust. The GUC Liquidating Trust is to be created pursuant to Article 4.4 of the Plan, for the benefit of holders of Classes 4A-Q Allowed Claims, including without limitation, holders of the Term Lenders Indemnification Claim, Deficiency Claims and Allowed Indemnification Claims. On the Effective Date, the Debtors shall transfer all of the GUC Liquidating Trust Assets to the GUC Liquidating Trust. All expenses incurred by the GUC Trustee in prosecuting litigation and administering the GUC Liquidating Trust, shall be paid, subject to the terms of the Plan solely from the proceeds of the GUC Liquidating Trust, and shall not be chargeable to the Debtors' estates or the Term Lenders Liquidating Trust.

DD. Executory Contracts and Unexpired Lease. The Debtors have exercised reasonable business judgment in determining whether to assume or reject their executory contracts and unexpired leases as set forth in Article VIII of the Plan. As set forth in the Plan, on the Confirmation Date, all executory contracts and unexpired leases that exist between the Debtors and any person, except for those contracts and leases set forth in Schedule 8.1 of the Plan, shall be deemed rejected as of the Effective Date, except for any executory contract or unexpired lease (a) that has been assumed or rejected pursuant to an order of the Bankruptcy Court entered prior to the Confirmation Date, or (b) as to which a motion for approval of the assumption of such contract or lease has been filed and served prior to the Confirmation Date.

All contracts and leases included in Schedule 8.1 shall be deemed assumed as of the Effective Date. To the extent that any agreements relating to insurance, including insurance policies, are deemed to be executory contracts, such agreements shall be deemed to be assumed as of the Effective Date, and shall be assigned either to the Term Lenders Liquidating Trust or the GUC Liquidating Trust, as specified in Schedule 8.1, subject to the consent of the Plan Proponents and the Creditors' Committee, which consent shall not be unreasonably withheld.

EE. Approval of Rejection and Assumption of Executory Contracts and Unexpired Leases. Entry of the Confirmation Order shall constitute the approval, pursuant to section 365(a) of the Bankruptcy Code, of (a) the rejection of the executory contracts and unexpired leases rejected pursuant to Article 8.1 of the Plan, and (b) the assumption of the executory contracts set forth in Schedule 8.1.

FF. Assignment of Insurance Policies, Rights and Benefits. Except as set forth in Schedule 8.1 of the Plan, the Debtors' insurance policies are not executory contracts. The assignment of such insurance policies (and rights and benefits thereunder) under the Plan is valid and permissible under applicable law.

GG. Release and Exculpation. The release and exculpation provision described in Article 9.4 of the Plan is permissible under applicable Third Circuit law. Neither the Debtors, the Term Lenders, the DIP Lenders, the Creditors' Committee, nor any of their respective directors, officers, employees, members, attorneys, consultants, advisors and agents (acting in such capacity), shall have or incur any liability to any entity for any act taken or omitted to be taken in the formulation, preparation, dissemination, implementation, confirmation or approval of the Plan, the Disclosure Statement related thereto or any contract, instrument, release or other

agreement or document provided for or contemplated in connection with the consummation of the transactions set forth in the Plan, and all such claims shall be deemed to be forever released as of the Effective Date; provided, however, that the provisions of Article 9.4 of the Plan shall not affect the liability of any entity that otherwise would result from any such act or omission to the extent that such act or omission is determined in a Final Order to have constituted gross negligence, willful misconduct or breach of fiduciary duty. Any of the foregoing parties in all respects shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan.

HH. Modifications. Before or at the Confirmation Hearing, in accordance with Bankruptcy Code section 1127 and Bankruptcy Rule 3019, the Debtors proposed certain modifications to the Plan (collectively, the "Plan Modifications"). The Debtors' form and manner of notice of the Plan Modifications was sufficient under the particular circumstances and no other or further notice of the Plan Modifications is or shall be required. The Plan Modifications do not (a) adversely affect the classification or treatment of holders of Claims and Interests, (b) constitute material modifications of the Plan under section 1127 of the Bankruptcy Code, (c) cause the Plan to fail to satisfy the requirements of sections 1122, 1123 and 1129 of the Bankruptcy Code, or (d) require the resolicitation of acceptances or rejections of the Plan from any party or require that any party be afforded an opportunity to change its previously cast acceptance or rejection of the Plan.

II. Likelihood of Satisfaction of Conditions Precedent to Consummation. Based on the evidence proffered or adduced at, or prior to, or in Declarations filed in connection with the Confirmation Hearing, and all other pleadings, exhibits and other relevant documents, each of

the conditions precedent to the Effective Date, as set forth in Article 10.1 of the Plan, is reasonably likely to be satisfied.

JJ. Retention of Jurisdiction. This Court may retain jurisdiction over the matters set forth in Article XI of the Plan.

DECREES

NOW, THEREFORE, IT IS ORDERED THAT,

1. Confirmation of the Plan. The Plan and all related documents, including the Schedules, Plan Supplement and form of the Term Lenders Liquidating Trust Agreement and the GUC Liquidating Trust Agreement, are CONFIRMED in each and every respect, pursuant to section 1129 of the Bankruptcy Code.⁴ The terms of the Plan, including all Schedules thereto, and the Plan Supplement, are incorporated by reference into, and are a part of, this Confirmation Order. The terms of the Plan, including all Schedules thereto, and the Plan Supplement, and all other relevant and necessary documents, shall be effective and binding as of the Effective Date of the Plan. Notwithstanding the foregoing, if there is any conflict between the terms of the Plan and the terms of the Confirmation Order, the terms of this Confirmation Order shall control. The Plan and this Confirmation Order shall supersede any orders of the Court issued prior to the Effective Date that are inconsistent therewith.

2. Objections. All Objections and responses to and statements (other than the Statement of the Creditors' Committee in support of confirmation of the Plan (D.I. 1440)) and

⁴ A copy of the Plan, including Schedules, is attached hereto as Exhibit A. The Term Lenders Liquidating Trust Agreement and the GUC Liquidating Trust Agreement are attached hereto as Exhibits B and C, respectively.

comments regarding the Plan, to the extent not already withdrawn, waived, or settled, and all reservations of rights included therein, shall be, and hereby are overruled.

3. Qualls' Objection. The Qualls Objection is resolved by agreement of the Parties (as defined below) as follows:

(i) The Debtors and the Creditors' Committee consent to relief from the automatic stay for the Qualls' action (as described in the Qualls' Motion for Relief from Automatic Stay (D.I. 1245) (the "Motion for Relief")), effective on the Effective Date of the Plan, and the ACE Group of companies, including Illinois Union Insurance Co. (the objectors in D.I. No. 1414) (collectively, "ACE") withdraw their response to the Motion for Relief. The Debtors, the Creditors' Committee, ACE and the Qualls (collectively, the "Parties") agree that the issues of liability and damages will be decided exclusively in the state court. In the event a final judgment is entered finding Fedders liable, or a settlement is reached, the Qualls will receive Allowed General Unsecured Claims for any amount not covered by insurance, including but not limited to the amount of the applicable self-insured retention.

(ii) The Hansen Declaration, at paragraph 8, confirms that the insurance premiums on all of the Debtors' insurance policies have been paid. This Court finds that the following insurance policies applicable to the Qualls' action are not executory: Illinois Union policy for the period 9/30/03 - 9/30/04, and Lexington umbrella policy for 9/30/03 - 9/30/04. The Parties have agreed that the ESIS agreement for 9/30/03 - 9/30/04 related to the ACE companies' policies, and all other prepetition ESIS agreements whether or not related to the prepetition ACE policies, are executory and will be rejected as of the Effective Date and that ESIS's obligations thereunder shall be terminated. Such rejection and termination of the ESIS agreements will not relieve ACE or Lexington of any obligation to provide coverage that would otherwise exist under their insurance policies, and ACE agrees that they will not use the rejection and termination of the ESIS agreements as a basis to deny coverage of the Potentially Insured Claims, including the Qualls' claims.

(iii) The Parties agreement clarifies the treatment of these specific insurance policies (including the ESIS agreements) under Article 8.5(a) of the Plan, but does not otherwise alter the ability of ACE to assert Claims under Insurance Policies, as set forth in the Plan. To the extent any other provision or language elsewhere in the Plan or this Confirmation Order is inconsistent with this agreement, the terms of this agreement govern.

(iv) Upon entry of this Confirmation Order, the Qualls' objection to confirmation of the Plan shall be deemed withdrawn and their votes shall be deemed changed from votes against to votes to accept the Plan.

4. Plan Modifications. All modifications or amendments to the Plan since the solicitation, as embodied in the form of Plan filed August 18, 2008, or otherwise filed with the Court or disclosed in open court at or prior to the Confirmation Hearing (to the extent not withdrawn), are approved pursuant to section 1127(a) of the Bankruptcy Code and do not require additional disclosure or resolicitation under Bankruptcy Rule 3019.

5. Conditions to Confirmation and Consummation of the Plan. Nothing in this Confirmation Order shall in any way affect the provisions of Article X of the Plan, which includes provisions regarding (i) the conditions precedent to the Effective Date of the Plan and (ii) and the waiver of any such conditions.

6. Plan Classification Controlling. The terms of the Plan shall solely govern the classification of Claims and Interests for purpose of the distributions to be made thereunder. The classifications set forth in connection with voting on the Plan: (a) were set forth on the Ballots solely for purposes of voting to accept or reject the Plan; (b) do not necessarily represent, and in no event shall be deemed to modify or otherwise affect, the actual classification of such Claims under the Plan for distribution purposes, (c) may not be relied upon by any creditor as representing the actual classification of such claims under the Plan for distribution purposes, and (d) shall not bind the Debtors, the Term Lenders Liquidating Trust, the Plan Administrator, the GUC Liquidating Trust or the GUC Trustee.

7. Immediate Effectiveness of Confirmation; Successors and Assigns. Immediately upon the entry of this Confirmation Order, the terms of the Plan and the Confirmation Order shall be, and hereby are, immediately effective and enforceable and deemed binding upon (a) the Debtors, (b) the Term Lenders, (c) the Terms Lenders Liquidating Trust, (d) the Plan

Administrator, (e) the GUC Liquidating Trust, (f) the GUC Trustee, (g) any and all holders of Claims against or Interests in the Debtors (irrespective of whether such Claims or Interests are Impaired under the Plan or whether the holders of such Claims or Interests accepted, were deemed to have accepted, rejected or were deemed to have rejected the Plan), (h) any and all non-Debtor parties to executory contracts and unexpired leases with any of the Debtors, (i) any and all insurers under any insurance policy (whether executory or non-executory) to which any Debtor is a party or under which any of the Debtors, the Term Lenders Liquidating Trust or the GUC Liquidating Trust may have rights; (j) any other party in interest, (k) any Person making an appearance in these Chapter 11 Cases, and (l) any and all Persons who are subject to the settlements, compromises, releases, waivers, discharges, and injunctions described herein and their respective heirs, executors, administrators, successors or assigns, affiliates, officers, directors, agents, representatives, attorneys, beneficiaries, or guardians, if any, of any of the foregoing.

8. Cancellation of Equity Interests. On the Effective Date (i) the Equity Interests (in Fedders Corporation) shall be cancelled, and (ii) the obligations of the Debtors with respect to the Equity Interests under Fedders Corporation's certificate of incorporation and any related agreements shall be extinguished.

9. Assumed Contracts and Leases. All contracts and leases included in Schedule 8.1, unless they are found not to be executory contracts by this Court, shall be deemed assumed as of the Effective Date.

10. Substantive Consolidation. The substantive consolidation of these Chapter 11 Cases as set forth in Article 6.1 of the Plan and Paragraph Z of the Confirmation Order is approved in its entirety solely for the purpose of all actions and distributions under the Plan.

11. Term Lenders Plan Settlement. The Term Lenders Plan Settlement as set forth in the Plan and Paragraph AA of the Confirmation Order is approved in accordance with sections 105 and 1123(b)(3) of the Bankruptcy Code and Rule 9019 of the Bankruptcy Rules.

12. Establishment of the Term Lenders Liquidating Trust. In accordance with Article 6.4 of the Plan, the Debtors are hereby authorized to: (a) execute the Term Lenders Liquidating Trust Agreement; and (b) take any and all other actions necessary or appropriate to establish the Term Lenders Liquidating Trust for the benefit of the Term Lenders, including transferring all of the Term Lenders Liquidating Trust Assets to the Term Lenders Liquidating Trust.

13. Establishment of the GUC Liquidating Trust. In accordance with Article 6.5 of the Plan, the Debtors are hereby authorized to: (a) execute the GUC Liquidating Trust Agreement; and (b) take any and all other actions necessary or appropriate to establish the GUC Liquidating Trust for the benefit of the holders of Classes 4A-Q Allowed Claims (including without limitation, holders of the Term Lenders Indemnification Claim, Deficiency Claims and Allowed Indemnification Claims), including transferring all of the GUC Liquidating Trust Assets to the GUC Liquidating Trust.

14. Notice of (i) Destruction/Abandonment of Records; (ii) Closure of Chapter 11 Cases; and (iii) Termination or Dissolution of Trusts. The GUC Liquidating Trust and/or the Term Lenders Liquidating Trust, as applicable and appropriate, shall provide the Objecting Insurers with at least thirty (30) days' written notice of (i) any and all proposed destruction

and/or abandonment of documents and business records of any of the Debtors, (ii) the closing of these Chapter 11 Cases; and (iii) the termination and/or dissolution of the GUC Liquidating Trust and the Term Lenders Liquidating Trust. Within thirty (30) days after service by the Debtors of this Confirmation Order, the Objecting Insurers shall provide the GUC Trustee and the Plan Administrator at the addresses below with the names, addresses, facsimile numbers, and e-mail addresses of the individuals to whom notice pursuant to this Paragraph 14 shall be provided. Requests for notices by the Objecting Insurers shall be addressed to the GUC Trustee: Alan Halperin, c/o Halperin Battaglia Raicht, LLP, 555 Madison Avenue, 9th Floor, New York, NY 10022; and to the Plan Administrator: Barrier Advisors, Inc., 13455 Noel Road, Suite 2200, Dallas, TX 75240, Attn: Kent Lauber.

15. Appointment of Plan Administrator. The appointment of Barrier Advisors, Inc. as the Plan Administrator is hereby authorized and approved. On the Effective Date, the Plan Administrator shall have the authority to appoint a director or directors for Fedders Corporation as necessary to implement the terms and conditions of the Plan.

16. Appointment of GUC Trustee. The appointment of Alan Halperin, Esquire as the GUC Trustee is hereby authorized and approved.

17. Debtors' Corporate Existence and Dissolution. As of the Effective Date, the Plan Administrator shall be authorized to take all actions necessary to effect the dissolution of any of the Debtors as corporate entities, and in particular shall be authorized and directed to effect the dissolution of Fedders Corporation within one (1) year of the Effective Date. The dissolution of any of the Debtors shall not affect the rights of the Plan Administrator, the GUC Trustee, or any

holders of Allowed Claims with respect to such holders' distributions under the Plan or with respect to any Insurance Policy or coverage.

18. Term of Injunctions or Stays. Unless otherwise provided, all injunctions or stays provided for in the Chapter 11 Cases pursuant to sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the close of the Chapter 11 Cases.

19. Preservation of Certain Causes of Action. Except for the Lawsuit and Avoidance Actions, which shall be assigned to the GUC Liquidating Trust on the Effective Date, and except as otherwise provided under the Plan, any and all claims or causes of action accruing to the Debtors and Debtors in Possession shall be preserved and retained by the Term Lenders Liquidating Trust and the Plan Administrator, who shall have the exclusive right to enforce any such causes of action.

20. Avoidance Actions. From and after the Confirmation Date, any and all Avoidance Actions shall be preserved and transferred to the GUC Liquidating Trust.

21. Release and Exculpation. The Release and Exculpation provision provided for in Article 9.4 of the Plan are incorporated into this Confirmation Order as if set forth in full herein and are hereby approved in their entirety.

22. Injunction. On and after the Confirmation Date, all persons are permanently enjoined from commencing or continuing in any manner any action or proceeding (whether directly, indirectly, derivatively or otherwise) on account of or respecting any claim, debt, right or cause of action of the Debtors and Debtors in Possession (i) for which the Debtors, Term

Lenders Liquidating Trust, or the GUC Liquidating Trust, respectively, have authority to pursue in accordance with the Plan, or (ii) which has been released or extinguished pursuant to the Plan.

23. Dissolution of the Creditors' Committee. On the Effective Date, the Creditors' Committee shall be dissolved and the members thereof shall be released and discharged of and from all further authority, duties, responsibilities, and obligations related to and arising from and in connection with the Chapter 11 Cases, and the retention or employment of its attorneys, accountants, and other agents, shall terminate. The Creditors' Committee shall continue to exist after such date solely with respect to all applications filed pursuant to sections 330 and 331 of the Bankruptcy Code seeking payment of fees and expenses incurred by any professional.

24. Effectuating Documents and Further Transactions. Upon entry of the Confirmation Order, each of the Debtors, the Plan Administrator and the GUC Trustee shall be authorized to execute, deliver, file, or record such contracts, instruments, releases, and other agreements or documents and take such actions as may be reasonably necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

25. Corporate Action. On the Effective Date, all matters provided for under the Plan, or that are contemplated by the Plan (including the liquidation of the remaining assets of the Debtors' estates) that would otherwise require approval of the stockholders or directors shall be deemed to have occurred (without having to have obtained such approval) and shall be in effect from and after the Effective Date pursuant to the applicable general corporation law of the states in which the Debtors are incorporated, without any requirement of action by the stockholders or further action by the directors of the Debtors. As of the Effective Date, all of the directors and officers of the Debtors shall be deemed to have resigned, with their services terminated as of the

Effective Date. If it is necessary or desirable to appoint any officers or directors for any of the Debtors after the Effective Date, to assist in implementing the Plan, the Plan Administrator shall be authorized to make any such appointments, in which event a notice of any such appointment shall be filed with the Court (prior to entry of a Final Order closing the Debtors' cases) to disclose the identity of such officers and/or directors.

26. Exemption from Transfer Taxes. Pursuant to section 1146(a) of the Bankruptcy Code, the assignment or surrender of any lease or sublease, or the delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with the Plan (whether by the Debtors, the Term Lenders Liquidating Trust or the GUC Liquidating Trust); including any deeds, bills of sale or assignments executed in connection with any disposition of assets under, in furtherance of, or in connection with the Plan (including transfers of assets to and by the Term Lenders Liquidating Trust or the GUC Liquidating Trust) shall not be subject to any stamp, real estate transfer, mortgage recording, sales, use or other similar tax.

27. Post-Effective Date Fees and Expenses of the Plan Administrator. From and after the Effective Date, except to the extent otherwise provided in the Plan, the Plan Administrator (including in its capacity as the Trustee of the Term Lenders Liquidating Trust) shall, in the ordinary course of business and without the necessity for any approval by the Bankruptcy Court, pay the reasonable fees and expenses of professional persons thereafter employed by the Debtors, or the Plan Administrator in connection with the implementation and consummation of the Plan, the reconciliation of Claims, or any other matters as to which such professionals are employed; provided, however, that no fees and expenses arising after the Effective Date and relating to the Lawsuit or the GUC Liquidating Trust shall be paid by the Plan Administrator.

The fees and expenses of such professionals shall be paid by the Plan Administrator within ten (10) business days after submission to the Plan Administrator of an invoice therefore. If the Plan Administrator disputes the reasonableness of any such invoice, the Plan Administrator shall timely pay the undisputed portion of such invoice, and the Plan Administrator or the affected professionals may submit such dispute to the Bankruptcy Court for a determination of the reasonableness of such invoice. The fees and expenses of the Plan Administrator shall be paid in accordance Article 6.3 of the Plan.

28. Post-Confirmation Date Retention of Professionals by the GUC Trust. Following the Confirmation Date, the GUC Trustee may retain and reasonably compensate counsel and other professionals to assist in his duties as GUC Trustee on such terms as the GUC Trustee deems appropriate without Bankruptcy Court approval. The GUC Trustee may retain any professionals who represented parties in interest in the Chapter 11 Cases.

29. Request for Expedited Determination of Taxes. The Debtors and/or the Plan Administrator shall have the right to request an expedited determination under section 505(b) of the Bankruptcy Code with respect to tax returns filed, or to be filed, for any and all taxable periods ending after the Commencement Date through, and including, the dissolution of the Debtors.

30. Payment of Statutory Fees. All fees payable pursuant to Section 1930 of title 28, United States Code, as determined by the Bankruptcy Court on the Effective Date, shall be paid on the Effective Date. Any statutory fees accruing after the Confirmation Date shall be paid by the Plan Administrator.

31. Provisions Governing Distributions. The provisions regarding distributions set forth in Article V of the Plan shall be, and hereby are, approved in their entirety.

32. Means for Implementation and Execution of the Plan. The provisions regarding the means for implementation and execution of the Plan set forth in Article VI of the Plan, shall be, and hereby are, approved.

33. Procedures for Resolution of Disputed Claims. The procedures for resolving and treating Disputed Claims set forth in Article VII of the Plan, shall be, and hereby are, approved in their entirety. Notwithstanding Article 7.2 of the Plan, the Debtors, the Plan Administrator and/or the GUC Trustee may make and file objections to any and all Claims that are the subject to proofs of claim or requests for payment filed with the Bankruptcy Court, including, without limitation applications for allowance of compensation and reimbursement of expenses under sections 330 and 503 of the Bankruptcy Code.

34. Modification of Plan. After the entry of the Confirmation Order, the Plan Proponents may, subject to the consent of: (i) the Creditors' Committee, if still in existence; or (ii) the GUC Trustee, thereafter (which consent shall not be reasonably withheld), upon order of this Court, amend or modify the Plan, in accordance with section 1127(b) of the Bankruptcy Code, or remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan.

35. Binding Effect. Except as otherwise provided in section 1141(d)(3) of the Bankruptcy Code, on and after the Confirmation Date, the provisions of the Plan shall bind any holder of a Claim against, or Equity Interest in, the Debtors and their respective successors and assigns, whether or not the Claim or Equity Interest of such holder is impaired under the Plan

and whether or not such holder has accepted the Plan. The rights, benefits and obligations of any entity named or referred to in the Plan, whose actions may be required to effectuate the terms of the Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign of such entity (including, but not limited to, any trustee appointed for the Debtors under chapters 7 or 11 of the Bankruptcy Code).

36. Claims Bar Dates.

- (i) Administrative Claims Bar Date. All requests for payment of an Administrative Claim must be filed with the Bankruptcy Court and served on counsel for the Debtors and the Term Lenders not later than forty-five (45) days after the Effective Date. Unless the Debtors, the Plan Administrator, or the Term Lenders object to an Administrative Claim within forty-five (45) days after receipt, such Administrative Claim shall be deemed Allowed in the amount requested (to the extent such amount is in a liquidated amount). In the event that an objection is filed to an Administrative Claim, the Bankruptcy Court shall determine the Allowed amount, if any, of such Administrative Claim. Notwithstanding the foregoing, no request for payment of an Administrative Claim need be filed, with respect to an Administrative Claim which is paid or payable by a Debtor in the ordinary course of business.
- (ii) Professional Compensation and Reimbursement Claims. All Professionals seeking an award by the Bankruptcy Court of compensation for services rendered or reimbursement for expenses incurred through and including the Effective Date under sections 503(b) of the Bankruptcy Code shall file their respective final applications for allowance of compensation for services rendered and reimbursement of expenses incurred through the Effective Date by no later than the date that is forty-five (45) days after the Effective Date or such other date as may be fixed by the Bankruptcy Court. If granted such an award by the Bankruptcy Court, such Professional shall be paid in full in such amounts as are Allowed by the Bankruptcy Court (i) within ten (10) days after such Administrative Expense Claim becomes an Allowed Administrative Expense Claim, or as soon thereafter as is practicable, or (ii) upon such other terms as may be mutually agreed upon by such holder of an Administrative Expense Claim and the Debtors or the Plan Administrator.
- (iii) Bar Date for Filing Proofs of Claim Relating to Executory Contracts and Unexpired Leases Rejected Pursuant to the Plan. Claims arising out of the rejection of an executory contract or unexpired lease pursuant to the Plan

must be filed with the Bankruptcy Court no later than thirty (30) days after notice of the Effective Date. Any Claims not filed within such time period will be forever barred from receiving a distribution from the Estates, the GUC Liquidating Trust, or the Term Lenders Liquidating Trust.

37. Retention of Jurisdiction. Pursuant to sections 105(a) and 1127 of the Bankruptcy Code, this Court hereby retains jurisdiction over all matters arising under, arising out of, or related to the Chapter 11 Cases including: (a) all matters set forth in Article XI of the Plan, and (b) all other matters and for all such other purposes as may be necessary or useful to aid in the consummation and implementation of the Plan.

38. Actions in Furtherance of the Plan. The approvals and authorizations specifically set forth in this Confirmation Order are nonexclusive and are not intended to limit the authority of the Debtor or its directors, officers, employees, agents, its representatives, or the Plan Administrator or GUC Trustee to take any and all actions necessary or appropriate to implement, effectuate and consummate the Plan or this Confirmation Order.

39. Inconsistency. If and to the extent that any provision of this Confirmation Order is determined to be inconsistent with any provision of the Plan or the Term Lenders Liquidating Trust Agreement or the GUC Liquidating Trust Agreement, such provision of the Confirmation Order shall control and take precedence.

40. References to Plan Provisions. The Plan is confirmed in its entirety and hereby incorporated into this Confirmation Order by reference. The failure to include or specifically reference any particular provision of the Plan in this Confirmation Order shall not diminish or impair effectiveness of such provision, it being the intent of this Court that the Plan be confirmed in its entirety. The provisions of the Plan and of this Confirmation Order shall be construed in a manner consistent with each other so as to affect the purposes of each; provided, however, that if

there is determined to be any inconsistency between any Plan provision and any provision of this Confirmation Order that cannot be reconciled, then solely to the extent of such inconsistency, the provisions of this Confirmation Order shall govern and any such provision of this Confirmation Order shall be deemed a modification of the Plan and shall control and take precedence.

41. Provisions of Plan Enforceable. Pursuant to sections 1123(a) and 1142(a) of the Bankruptcy Code, the provisions of this Confirmation Order, the Plan, the Term Lenders Liquidating Trust Agreement, and the GUC Liquidating Trust Agreement shall apply and be enforceable notwithstanding any otherwise applicable nonbankruptcy law. If any provision of the Plan, this Confirmation Order, the Term Lenders Liquidating Trust Agreement or the GUC Liquidating Trust Agreement is determined to be unenforceable, such determination shall not limit or affect the enforceability and operative effect of any other provision of the Plan, this Confirmation Order, the Term Lenders Liquidating Trust Agreement or the GUC Liquidating Trust Agreement

42. Separate Confirmation Order. This Confirmation Order is and shall be deemed a separate Confirmation Order with respect to each of the Debtors in each Debtor's separate case for all purposes. The Clerk of the Bankruptcy Court is directed to file and docket this Confirmation Order in the case of each Debtor.

43. Final Order. This Confirmation Order is a final order and the period in which an appeal must be filed shall commence upon the entry hereof.

44. Notice of Entry of Confirmation Order. On or before the tenth (10th) day following the occurrence of the Effective Date, the Debtors shall serve notice of this Confirmation Order and occurrence of the Effective Date pursuant to Bankruptcy Rules

2002(f)(7), 2002(k) and 3020(c), on all Claimholders, the United States Trustee and other parties in interest, by causing a notice of the Confirmation Order and the occurrence of the Effective Date ("Notice of the Effective Date") to be delivered to such parties by first class mail, postage prepaid. The Debtors are hereby authorized and directed to effect mailing of the Notice of Effective Date to holders of public debt and equity securities in the manner set forth in the Solicitation Procedures Order; provided, however, that notice need not be given or served under the Bankruptcy Code, Bankruptcy Rules, or this Confirmation Order to any person to whom the Debtors mailed a notice of Bar Date or Confirmation Hearing, but received such notice returned marked "undeliverable as addressed," "moved-left no forwarding address," forwarding order expired," or similar reason, unless the Debtors have been informed in writing by such person of that person's new address. The notice described herein is adequate under the particular circumstances of the Chapter Cases, and no other or further notice is necessary.

Dated: Wilmington, Delaware
August 22, 2008


THE HONORABLE BRENDAN L. SHANNON
UNITED STATES BANKRUPTCY JUDGE

**EXHIBITS TO PROPOSED ORDER CONFIRMING DEBTORS' AND TERM
LENDERS' AMENDED JOINT PLAN OF LIQUIDATION UNDER CHAPTER 11
OF THE BANKRUPTCY CODE (AS MODIFIED ON AUGUST 21, 2008)**

- Exhibit A** **Debtors' and Term Lenders Amended Joint Plan of Liquidation Under
Chapter 11 of the Bankruptcy Code (as Modified on August 21, 2008)**
- Exhibit B** **Term Lenders Liquidating Trust Agreement (Unexecuted)**
- Exhibit C** **GUC Liquidating Trust Agreement (Unexecuted)**

LIQUIDATING TRUST AGREEMENT

This Liquidating Trust Agreement (the "Trust Agreement"), dated as of August 28, 2008, is entered into by and between Fedders North America, Inc., now known as FNA Liquidating, Inc.; Columbia Specialties, Inc.; Emerson Quiet Kool Corporation, now known as EQKC Liquidating, Inc.; Envirco Corporation; Eubank Coil Company; Fedders Addison Company, Inc. now known as FJCC Florida Liquidating, Inc.; Fedders Corporation; Fedders Holding Company, Inc., now known as FHC Liquidating, Inc.; Fedders, Inc.; Fedders International, Inc., now known as FI Liquidating, Inc.; Fedders Investment Corporation, now known as FIC Liquidating, Inc.; Fedders Islandaire, Inc. (a New York corporation), now known as FI Liquidating, Inc.; Fedders Outlet, Inc., now known as FO Liquidating, Inc.; Herrmidifier Company, Inc.; Island Metal Fabricating, Inc.; Rotorex Company, Inc.; and Trion, Inc., as debtors and debtors in possession and reorganized debtors, as applicable (collectively, the "Debtors"), the Term Lenders (as defined in the Plan referred to below) and Barrier Advisors, Inc., as Trustee (the "Trustee"), is executed in connection with the Debtors' and Term Lenders' Joint Plan of Liquidation Under Chapter 11 of the Bankruptcy Code dated July 15, 2008 (as may be amended, the "Plan") filed in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"), which provides for the establishment of a liquidating trust evidenced hereby (the "Liquidating Trust"). Except with respect to the terms defined herein, all capitalized terms contained herein shall have the meanings ascribed to such terms in the Plan.

WITNESSETH

WHEREAS, the Liquidating Trust is created pursuant to and to effectuate the Plan;

WHEREAS, the Liquidating Trust is created on behalf of, and for the sole benefit of the Term Lenders;

WHEREAS, the Plan provides for the creation of a liquidating trust that will (i) receive from the Debtors all of the Term Lenders Liquidating Trust Assets, (ii) hold the Term Lenders Liquidating Trust Assets in trust for the benefit of the Term Lenders as provided in the Plan and herein, and (iii) oversee and direct the liquidation of the Term Lenders Liquidating Trust Assets held by it for the benefit of the Term Lenders pursuant to the terms of the Plan and this Trust Agreement. This Trust Agreement is executed to establish the Liquidating Trust and to facilitate implementation of the Plan;

WHEREAS, the Liquidating Trust is established hereunder for the sole purpose of liquidating and distributing its assets for the benefit of the Term Lenders, in accordance with Treasury Regulations Section 301.7701-4(d), with no objective or authority to continue or engage in the conduct of a trade or business; and

WHEREAS, the Liquidating Trust is intended to qualify as a liquidating trust within the meaning of Treasury Regulations Section 301.7701-4(d);

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements contained herein and in the Plan, the Debtors and the Trustee agree as follows:

ARTICLE I

ESTABLISHMENT OF THE LIQUIDATING TRUST

1.1 Establishment and Declaration of Trust.

(a) Name. This Trust shall be known as the "FC Term Lenders Liquidating Trust", in which name the Trustee may conduct the affairs of the Liquidating Trust.

(b) Office. The office of the Liquidating Trust shall be in care of the Trustee at its trust office or at any other address that the Trustee may designate by written notice to the holders of Liquidating Trust Interests (as defined below).

(c) Declaration of Trust. Pursuant to the Plan, the Debtors and the Trustee hereby establish the Liquidating Trust on behalf of and for the benefit of the Term Lenders, and the Debtors hereby irrevocably and absolutely transfer, assign, convey, and deliver to the Trustee all of their right, title, and interest (whether legal, beneficial, or otherwise) in and to the Term Lenders Liquidating Trust Assets free and clear of any lien, claim, encumbrance, or interest in such property of any other person or entity (except as provided herein) in trust to and for the benefit of the Term Lenders for the uses and purposes stated herein and in the Plan. Effective as of the date hereof, the Trustee shall have all the rights, powers, and duties set forth herein and pursuant to applicable law for accomplishing the purposes of the Liquidating Trust. The Trustee is hereby authorized to file with any governmental authority any documents necessary to establish the Liquidating Trust.

(d) Appointment of Trustee. The Trustee is hereby appointed as trustee of the Liquidating Trust effective as of the date hereof, to have all the rights, powers, and duties set forth herein.

(e) Acceptance of Trust. The Trustee agrees to accept and hold the Liquidating Trust Assets in trust for the Term Lenders, subject to the terms of this Trust Agreement and the Plan.

1.2 Title to Liquidating Trust Assets.

(a) Except as otherwise provided by the Plan or this Trust Agreement, upon the Effective Date, title to the Term Lenders Liquidating Trust Assets shall pass to the Liquidating Trust free and clear of all Claims and equity interests in accordance with section 1141 of the Bankruptcy Code.

(b) Upon the transfer to the Liquidating Trust of the Term Lenders Liquidating Trust Assets, the Trustee shall succeed to all of the Debtors' right, title, and interest in and to the Term Lenders Liquidating Trust Assets, and the Debtors will have no further interest or rights in or with respect to the Term Lenders Liquidating Trust Assets.

(c) For all purposes, including, without limitation, federal income taxes, securities laws, and section 1145 of the Bankruptcy Code, all parties (including, without limitation, the Debtors, the Trustee, and the Term Lenders) shall treat the transfer by the Debtors

of the Term Lenders Liquidating Trust Assets to the Liquidating Trust as (i) a transfer of the Term Lenders Liquidating Trust Assets directly to Term Lenders in satisfaction of the Secured Claims of the Term Lenders followed by (ii) the transfer by the Term Lenders to the Liquidating Trust of the Term Lenders Liquidating Trust Assets in exchange for beneficial interests in the Liquidating Trust. Accordingly, the Term Lenders shall be treated for all purposes, including, without limitation, federal income taxes, securities laws, and section 1145 of the Bankruptcy Code, as the grantors and owners of their respective shares of the Term Lenders Liquidating Trust Assets.

(d) With respect to all Term Lenders Liquidating Trust Assets, the Trustee will directly and indirectly be the representative of the Debtors' estates, as that term is used in section 1123(b)(3)(B) of the Bankruptcy Code, and will have the rights and powers provided for in the Bankruptcy Code, including section 1107 thereof, in addition to any rights and powers granted in this Trust Agreement and in the Plan. The Trustee will be the successor-in-interest to the Debtors with respect to any action that was or could have been commenced by the Debtors prior to the Effective Date that is a Term Lenders Liquidating Trust Asset and shall be deemed substituted for the same as the party in such litigation. The Trustee may enforce, sue on, settle or compromise (or decline to do any of the foregoing) all claims, rights or causes of actions, suits and proceedings, whether in law or in equity, whether known or unknown, that the Debtors or their Estate may hold against any person or entity, that constitute Term Lenders Liquidating Trust Assets. All actions, claims, rights, or interests constituting Term Lenders Liquidating Trust Assets are preserved and retained and may be enforced by the Trustee as the representative of the Debtors' estates pursuant to section 1123(b)(3)(B) of the Bankruptcy Code. The Trustee will be a party-in-interest as to all matters over which the Bankruptcy Court has jurisdiction or retains jurisdiction under the Plan (insofar as it affects the Liquidating Trust or the Term Lenders Liquidating Trust Assets).

1.3 Valuation of Term Lenders Liquidating Trust Assets. As soon as possible after the Effective Date, the Trustee, in reliance upon such professionals as the Trustee may retain, shall make a good faith valuation of the Term Lenders Liquidating Trust Assets. Such valuation shall be made available from time to time, to the extent relevant as reasonably determined by the Trustee in reliance on its professionals, and used consistently by all parties (including, without limitation, the Debtors, the Trustee, and the Term Lenders) for all purposes, including federal income tax purposes.

ARTICLE II

LIQUIDATING TRUST INTERESTS

2.1 Rights of Holders of Liquidating Trust Interests. Each holder of a Liquidating Trust Interest will be entitled to participate in the rights due to a holder of Liquidating Trust Interests hereunder. Each holder of a Liquidating Trust Interest shall take and hold its uncertificated beneficial interest subject to all of the terms and provisions of this Trust Agreement, the Confirmation Order, and the Plan. The interest of a holder of a Liquidating Trust Interest is in all respects personal property, and upon the death, insolvency or incapacity of an individual holder of a Liquidating Trust Interest, such holder's interest shall pass to the legal representative of such holder of a Liquidating Trust Interest and such death, insolvency or

incapacity shall not terminate or affect the validity of this Trust Agreement. A holder of a Liquidating Trust Interest shall have no title to, right to, possession of, management of, or control of, the Term Lenders Liquidating Trust Assets except as herein expressly provided. No surviving spouse, heir or devisee of any deceased holder of a Liquidating Trust Interest shall have any right of dower, homestead, or inheritance, or of partition, or any other right, statutory or otherwise, in the Term Lenders Liquidating Trust Assets, but the whole title to all the Term Lenders Liquidating Trust Assets shall be vested in the Trustee and the sole interest of the holders of Liquidating Trust Interests shall be the rights and benefits given to such persons under this Trust Agreement.

2.2 No Legal Title in Holders of Liquidating Trust Interests. No holder of a Liquidating Trust Interest shall have legal title to any part of the Term Lenders Liquidating Trust Assets. No transfer by operation of law or otherwise, of the right, title and interest of any holder of a Liquidating Trust Interest in and to the Term Lenders Liquidating Trust Assets or hereunder shall operate to terminate this Liquidating Trust or entitle any successor or transferee of such holder of a Liquidating Trust Interest to an accounting or to the transfer to it of legal title to any part of the Term Lenders Liquidating Trust Assets.

2.3 Identification of Holders of Liquidating Trust Interests. The record holders of interests in the Liquidating Trust (the "Liquidating Trust Interests") shall be recorded and set forth in a register maintained by the Trustee expressly for such purpose. The initial list of record holders of Liquidating Trust Interests shall be based on the list of Term Lenders, as maintained by the administrative agent under the Term Facility. Except as otherwise required by law, references in this Trust Agreement to the identification of holders and the providing of information to holders shall be read to mean holders of record as set forth in the official register maintained by the Trustee and shall not mean any beneficial owner not recorded on such official registry. Unless expressly provided herein, the Trustee may establish a record date, which it deems practicable for determining the holders for a particular purpose. The distribution of Liquidating Trust Interests to Term Lenders shall be accomplished as set forth in the Plan and herein.

2.4 Non-Transferability of Liquidating Trust Interests. The Liquidating Trust Interests shall not be certificated and shall not be transferable, assignable, pledged, or hypothecated, in whole or in part, except with respect to a transfer by will or under the laws of descent and distribution. Any such transfer, however, will not be effective until and unless the Trustee receives written notice of such transfer executed by the appropriate party.

ARTICLE III

PURPOSE, AUTHORITY, LIMITATIONS, DISTRIBUTIONS, AND DUTIES

3.1 Purpose of the Liquidating Trust. The Liquidating Trust is established for the sole purpose of liquidating and distributing the Term Lenders Liquidating Trust Assets, in accordance with Treasury Regulations Section 301.7701-4(d), with no objective to continue or engage in the conduct of a trade or business. Accordingly, the Trustee shall, in an expeditious but orderly and reasonable manner, liquidate and convert to Cash the Term Lenders Liquidating Trust Assets of the Liquidating Trust, make timely distributions, and not unduly prolong the duration of the

Liquidating Trust. The liquidation of the Term Lenders Liquidating Trust Assets may be accomplished either through the sale of Term Lenders Liquidating Trust Assets (in whole or in combination) or otherwise.

3.2 Authority of Trustee. In connection with the administration of the Liquidating Trust and the Plan, except as set forth in this Trust Agreement, the Trustee is authorized to perform any and all acts necessary or desirable to accomplish the purposes of the Liquidating Trust and to carry out its responsibilities under the Plan. Without limiting, but subject to, the foregoing and to Section 3.3 hereof, the Trustee shall be expressly authorized, but shall not be required, to:

(a) hold legal title to any and all rights of the holders of the Liquidating Trust Interests in or arising from the Term Lenders Liquidating Trust Assets, including, but not limited to, collecting any and all money and other property belonging to the Liquidating Trust and the right to vote any claim or interest in a case under the Bankruptcy Code and receive any distribution thereon;

(b) perform the duties, exercise the powers, and assert the rights of a trustee under sections 704 and 1106 of the Bankruptcy Code;

(c) protect and enforce the rights to the Term Lenders Liquidating Trust Assets by any method deemed appropriate including, without limitation, by judicial proceedings or pursuant to any applicable bankruptcy, insolvency, moratorium, or similar law and general principles of equity;

(d) in accordance with section 1123(b)(3)(B) of the Bankruptcy Code, engage in, intervene in, join, compromise, adjust, release, arbitrate, sue on or defend, counterclaim, setoff, recoup, pursue, prosecute, abandon, or otherwise deal with and settle any actions, suits, proceedings, disputes, claims, controversies, demands, causes of action, or other litigation in favor of or against the Liquidating Trust, to enter into agreements relating to the foregoing, whether or not any suit is commenced or claim accrued or asserted and, in advance of any controversy, to enter into agreements regarding arbitration, adjudication or settlement thereof, all in the name of the Liquidating Trust if necessary or appropriate, and institute or continue actions which were or otherwise could have been brought by any or all of the Debtors that constitute Term Lenders Liquidating Trust Assets, and prosecute or defend all litigation or appeals that are Term Lenders Liquidating Trust Assets in the name of the Debtors and, when appropriate, settle such actions and claims, in each case as the Trustee shall deem advisable;

(e) determine and satisfy any and all liabilities created, incurred or assumed by the Liquidating Trust, subject to Section 9.1 hereof;

(f) make distributions to holders of the Liquidating Trust Interests;

(g) file, if necessary, any and all tax and information returns with respect to the Liquidating Trust and pay taxes properly payable by the Liquidating Trust, if any;

(h) assert or waive any privilege or defense on behalf of the Liquidating Trust;

(i) pay all expenses and make all other payments relating to the Term Lenders Liquidating Trust Assets, including the liquidation and distribution thereof;

(j) obtain insurance coverage with respect to the liabilities and obligations of the Trustee under this Trust Agreement (in the form of, among other things, an errors and omissions policy or otherwise) and indemnification for the Trustee and others as provided for in the Plan and this Trust Agreement;

(k) retain and pay such independent law firms as counsel to the Liquidating Trust and the Trustee as the Trustee may select, to perform such functions as may be appropriate in the Trustee's discretion. The Trustee may commit the Liquidating Trust to and shall pay such independent law firms reasonable compensation for services rendered and expenses incurred. The Trustee may retain counsel on a *nunc pro tunc* basis, to a date prior to the Effective Date;

(l) retain and pay an independent public accounting firm to perform such reviews and/or audits of the financial books and records of the Liquidating Trust as may be appropriate in the Trustee's discretion, and to prepare and file any tax returns or informational returns for the Liquidating Trust as may be required. The Trustee may retain an independent accounting firm on a *nunc pro tunc* basis, to a date prior to the Effective Date. The Trustee may commit the Liquidating Trust to and shall pay such independent public accounting firm reasonable compensation for services rendered and expenses incurred;

(m) retain and pay such third parties as the Trustee, in its discretion, may deem necessary or appropriate to assist the Trustee in carrying out its powers and duties under this Trust Agreement. The Trustee may commit the Liquidating Trust to and shall pay all such persons or entities reasonable compensation for services rendered and expenses incurred, as well as commit the Liquidating Trust to indemnify any such parties in connection with the performance of services, on a *nunc pro tunc* basis, to a date prior to the Effective Date;

(n) invest any moneys held as part of the Liquidating Trust (including any earnings thereon or proceeds therefrom) in accordance with the terms and limitations of Section 4.3 hereof;

(o) request any appropriate tax determination with respect to the Liquidating Trust, including, without limitation, a determination pursuant to section 505 of the Bankruptcy Code;

(p) to open and maintain bank accounts and deposit funds, draw checks and make disbursements in accordance with the Plan and this Trust Agreement;

(q) to enforce, waive, assign or release rights, privileges or immunities of any kind;

(r) to seek any relief from, or resolution of, any disputes by the Bankruptcy Court;

(s) to appear and participate in any proceeding before the Bankruptcy Court with respect to any matter regarding or relating to the Plan (insofar as it affects the Liquidating

Trust or the Term Lenders Liquidating Trust Assets) or the Liquidating Trust, or any other court of competent jurisdiction;

(t) to enter into one or more joint defense/prosecution agreements with the Debtors;

(u) without limitation, to do any and all things necessary to accomplish the purposes of the Plan and this Trust Agreement;

(v) establish and maintain a web site for the purpose of providing notice of the Liquidating Trust activities in lieu of sending written notice to holders of Liquidating Trust Interests, subject to providing notice to those holders referred to in Section 11.5 hereof;

(w) file any and all documents and take or refrain from taking any and all actions the Trustee reasonably deems necessary for the continuation, protection, distribution, liquidation, and maximization of the Term Lenders Liquidating Trust Assets consistent with the purposes hereof; and

(x) sell or assign to the Debtors, or may agree with the Debtors not to pursue, any claim or cause of action comprising a Liquidating Trust Asset, in each case on such terms and conditions, and for such consideration, as the Trustee, and such Debtors may agree.

3.3 Limitations on Trustee's Authority.

(a) The Trustee may sell or assign to the Debtors, or may agree with the Debtors not to pursue, any claim or cause of action comprising a Liquidating Trust Asset, in each case on such terms and conditions, and for such consideration, as the Trustee, and such Debtors may agree.

(b) Notwithstanding anything herein to the contrary, the Trustee shall not and shall not be authorized to engage in any trade or business and shall take (i) such actions consistent with the orderly liquidation of the Term Lenders Liquidating Trust Assets as are required by applicable law and (ii) such actions permitted hereunder; *provided, however*, that, the Trustee is not authorized to engage in any investments or activities inconsistent with the treatment of the Liquidating Trust as a liquidating trust within the meaning of Treasury Regulations Section 301.7701-4(d) or under applicable Internal Revenue Service guidelines, rulings, or other controlling authorities.

(c) The Liquidating Trust shall not hold 50% or more of the stock (in either vote or value) of any entity that is treated as a corporation for federal income tax purposes, nor have any interest in an entity that is treated as a partnership for federal income tax purposes, unless (i) the purpose of such corporation, as set forth in its articles of incorporation, is to wind-down its operations and liquidate its assets or (ii) such stock or partnership interest was obtained involuntarily or as a matter of practical economic necessity in order to preserve the value of the Term Lenders Liquidating Trust Assets.

3.4 Books and Records. The Trustee shall maintain in respect of the Liquidating Trust and the holders of Liquidating Trust Interests books and records relating to the

Term Lenders Liquidating Trust Assets and income of the Liquidating Trust and the payment of expenses of, and liabilities of claims against or assumed by, the Liquidating Trust in such detail and for such period of time as may be necessary to enable it to make full and proper accounting in respect thereof. Such books and records shall be maintained as reasonably necessary to facilitate compliance with the tax reporting requirements of the Liquidating Trust. Except as expressly provided herein, nothing in this Trust Agreement requires the Trustee to file any accounting or seek approval of any court with respect to the administration of the Liquidating Trust or as a condition for managing any payment or distribution out of the Term Lenders Liquidating Trust Assets. Holders of the Liquidating Trust Interests shall have the right upon thirty (30) days' prior written notice delivered to the Trustee to inspect such books and records (including financial statements), subject to the Trustee's right to deny access in a reasonable effort to preserve privileged or confidential information or protect litigation or other strategies and provided that, if so requested, such holder shall have entered into a confidentiality agreement satisfactory in form and substance to the Trustee. Any books and records determined by the Trustee, in its sole discretion, not to be reasonably necessary for administering the Liquidating Trust or for the Trustee's compliance with the provisions of this Trust Agreement may, to the extent not prohibited by applicable law, be destroyed.

3.5 Additional Powers. Except as otherwise set forth in this Trust Agreement or in the Plan, and subject to the Treasury Regulations governing liquidating trusts and the retained jurisdiction of the Bankruptcy Court as provided for in the Plan, but without prior or further authorization, the Trustee may control and exercise authority over the Term Lenders Liquidating Trust Assets and over the protection, conservation, and disposition thereof. No person dealing with the Liquidating Trust shall be obligated to inquire into the authority of the Trustee in connection with the protection, conservation, liquidation, or disposition of the Term Lenders Liquidating Trust Assets. In addition and notwithstanding anything to the contrary contained in this Trust Agreement, the Trustee assumes all responsibilities and obligations designated to the Plan Administrator under the Plan and is authorized to take all acts necessary or desirable to carry out such responsibilities and obligations regardless of whether such responsibilities and obligations are specifically set forth in this Trust Agreement.

3.6 Distributions.

(a) At least annually and on any date determined by the Trustee in its sole discretion, the Trustee shall distribute from the Liquidating Trust to each holder of Liquidating Trust Interests such holder's pro rata share of Cash on hand; *provided, however*, that prior to making any distribution to holders of Liquidating Trust Interests, the Trustee may retain such amounts (i) as are reasonably necessary to meet liabilities (whether fixed or contingent) and to maintain the value of the Term Lenders Liquidating Trust Assets during liquidation, (ii) necessary to pay reasonable expenses (including, but not limited to, any taxes imposed on the Liquidating Trust or in respect of the Term Lenders Liquidating Trust Assets), and (iii) necessary to satisfy other liabilities incurred by the Liquidating Trust in accordance with the Plan or this Trust Agreement, taking into account, for purposes of the foregoing, the availability, where applicable, of Cash already on hand or scheduled to be received to satisfy such liabilities or expenses. The Trustee may withhold from amounts distributable to any person any and all amounts, determined in the Trustee's reasonable sole discretion, required by any law, regulation, rule, ruling, directive, or other governmental requirement.

(b) All distributions made by the Trustee to holders of Liquidating Trust Interests shall be payable to the holders of Liquidating Trust Interests of record as of the 15th day prior to the date scheduled for the distribution, unless such day is not a Business Day, then such day shall be the following Business Day (the "Record Date"). If the distribution shall be in Cash, the Trustee shall distribute such Cash by wire, check, or such other form as the Trustee deems appropriate under the circumstances.

(c) In accordance with the Plan, the Fedders Term Lender Liquidating Trust Assets consists of the Term Lender Collateral or the proceeds from the sale of such Collateral, and any and all distributions made by the Trustee to holders of Liquidating Trust Interests are only in satisfaction of such holders' Secured Claims under the Plan and not in satisfaction of such holders' Deficiency Claims or other General Unsecured Claims, if any, under the Plan.

3.7 Reporting Duties of the Trustee.

(a) In addition to the reporting duties of the Trustee under ARTICLE VII hereof, the Trustee shall file returns for the Liquidating Trust as a grantor trust pursuant to Treasury Regulations Section 1.671-4(a) and in accordance with this Section 3.7. The Liquidating Trust's taxable income, gain, loss, deduction, or credit will be allocated proportionally to the holders of Liquidating Trust Interests in accordance with their relative beneficial interests in the Liquidating Trust.

(b) The Trustee shall pay, out of the Term Lenders Liquidating Trust Assets, any taxes imposed on the Liquidating Trust or the Term Lenders Liquidating Trust Assets.

(c) The Trustee may request an expedited determination of taxes of the Liquidating Trust under section 505(b) of the Bankruptcy Code for all returns filed for, or on behalf of, the Liquidating Trust for all taxable periods through the dissolution of the Liquidating Trust.

(d) The Trustee shall file (or cause to be filed) any other statements, returns, or disclosures relating to the Liquidating Trust that are required by any governmental unit.

3.8 Compliance with Laws. Any and all distributions of Term Lenders Liquidating Trust Assets and proceeds of borrowings, if any, shall be in compliance with applicable laws, including, but not limited to, applicable federal and state securities laws.

ARTICLE IV

THE TRUSTEE

4.1 Generally. The Trustee will initially be Barrier Advisors, Inc. or such other person as the Term Lenders may appoint. The appointment of the Trustee shall be subject to approval by the Bankruptcy Court as part of the Confirmation Hearing. The Trustee shall serve as trustee until its successor shall have been appointed in accordance with Article VI or until resignation, death or removal. The Trustee's powers are exercisable solely in a fiduciary capacity consistent with, and in furtherance of, the purposes of this Liquidating Trust and not

otherwise, except that the Trustee may deal with the Term Lenders Liquidating Trust Assets for its own account as permitted by Section 4.5 hereof.

4.2 Responsibilities of Trustee. The Trustee shall, in an expeditious but orderly manner, liquidate and convert to Cash the Term Lenders Liquidating Trust Assets, make timely distributions, and not unduly prolong the duration of the Liquidating Trust. In so doing, the Trustee will exercise its reasonable business judgment in liquidating the Term Lenders Liquidating Trust Assets. The liquidation of the Term Lenders Liquidating Trust Assets may be accomplished, in the Trustee's sole discretion, through the sale of Term Lenders Liquidating Trust Assets (in whole or in part). In connection therewith, the Trustee will have the power to prosecute for the benefit of the Liquidating Trust all claims, rights, and causes of action transferred to the Liquidating Trust, whether such suits are brought in the name of the Liquidating Trust, any of the Debtors, or otherwise for the benefit of the holders of Liquidating Trust Interests. Any and all proceeds generated from such Term Lenders Liquidating Trust Assets shall be held by the Liquidating Trust. Except as expressly set forth herein, the Trustee shall have absolute discretion to pursue or not to pursue any and all claims, rights, or causes of action, as it determines are in the best interests of the holders of the Liquidating Trust Interests and consistent with the purposes of the Liquidating Trust, and shall have no liability for the outcome of its decision. The Trustee may incur any reasonable and necessary expenses in liquidating, distributing, and protecting the Term Lenders Liquidating Trust Assets.

4.3 Investment and Safekeeping of Term Lenders Liquidating Trust Assets. The right and power of the Trustee to invest Term Lenders Liquidating Trust Assets, the proceeds thereof, or any income earned by the Liquidating Trust, shall be limited to the right and power that a liquidating trust, within the meaning of Treasury Regulations Section 301.7701-4(d), is permitted to hold, pursuant to the Treasury Regulations and the guidelines set forth in Rev. Proc. 94-45, 1994-2 C.B. 684, or any modification in the IRS guidelines, whether set forth in IRS rulings, other IRS pronouncements, or otherwise.

4.4 Authorization to Expend and Reserve Term Lenders Liquidating Trust Assets. The Trustee may expend and reserve the Term Lenders Liquidating Trust Assets (a) as reasonably necessary to meet contingent liabilities and to maintain the value of the Term Lenders Liquidating Trust Assets during liquidation, (b) to pay all administrative expenses of the Liquidating Trust (including, but not limited to, any taxes imposed on the Liquidating Trust), and (c) to satisfy all other liabilities incurred or assumed by the Liquidating Trust (or to which the Term Lenders Liquidating Trust Assets are otherwise subject) in accordance with the Trust Agreement or the Plan.

4.5 Expense Reimbursement and Compensation.

(a) The Term Lenders Liquidating Trust Assets shall be subject to the claims of the Trustee, and the costs and expenses of the Liquidating Trust, including, but not limited to, the fees and expenses of the Trustee and its retained professionals, representatives, agents, and employees. The Trustee shall be entitled to reimburse itself out of any available Cash in the Liquidating Trust for its actual out-of-pocket expenses and for any and all losses, liabilities, expenses, or damages that the Trustee may, in good faith and without willful misconduct, gross negligence, or fraud, sustain in the exercise and performance of any of the powers and duties of

the Trustee under this Trust Agreement. As compensation for the performance of its duties, the Trustee will be entitled to reasonable compensation as initially determined by the Term Lenders with the agreement of the Trustee and subject to approval of the Bankruptcy Court. The Trustee shall be compensated for its services and reimbursed for expenses in accordance with the terms of Schedule I hereto. The Trustee, its retained professionals, agents, representatives, and employees may be compensated on a *nunc pro tunc* basis, prior to the Effective Date.

(b) If the Cash in the Liquidating Trust shall be insufficient to compensate and reimburse the Trustee, including any professionals retained by the Trustee for any amounts to which they are entitled hereunder, then the Trustee is hereby authorized to reduce to Cash that portion of the Term Lenders Liquidating Trust Assets necessary so as to effect such compensation and reimbursement.

4.6 No Bond. The Trustee shall serve without bond.

4.7 Confidentiality. The Trustee shall at all times hold strictly confidential and not use for personal gain any material, non-public information of or pertaining to any entity to which any of the Term Lenders Liquidating Trust Assets relates or of which it has become aware in its capacity as Trustee, except as otherwise required by law.

ARTICLE V

SUCCESSOR TRUSTEE

5.1 Removal. The Trustee may be removed by the affirmative vote the holders of a majority of the holders of Liquidating Trust Interests. Such removal shall become effective on the date action is taken.

5.2 Resignation. The Trustee may resign by giving not less than thirty (30) days' prior written notice thereof to the holders of Liquidating Trust Interests. Such resignation shall become effective on the later to occur of: (a) the day specified in such notice, and (b) the appointment of a successor Trustee by the holders of Liquidating Trust Interests and the acceptance by such successor of such appointment. If a successor Trustee is not appointed or does not accept its appointment within thirty (30) days following delivery of notice of resignation, the Trustee may petition any court of competent jurisdiction for appropriate relief.

5.3 Appointment of Successor Trustee. In the event of the death (in the case of a Trustee that is a natural person), dissolution (in the case of a Trustee that is not a natural person), resignation pursuant to Section 6.2 hereof, incompetency, or removal of the Trustee pursuant to Section 6.1 hereof, the holders of Liquidating Trust Interests may appoint a successor Trustee, upon notice to holders of Liquidating Trust Interests. Such notice shall specify the date on which such appointment shall be effective. Every successor Trustee appointed hereunder shall execute, acknowledge, and deliver to the Bankruptcy Court and to the retiring Trustee an instrument accepting the appointment under this Trust Agreement and agreeing to be bound thereto, and thereupon the successor Trustee, without any further act, deed, or conveyance, shall become vested with all rights, powers, trusts, and duties of the retiring Trustee pursuant to this Trust Agreement and the Plan; *provided, however*, that a removed or resigning Trustee shall, nevertheless, when requested in writing by the successor Trustee, execute and deliver an

instrument or instruments conveying and transferring, or confirming the conveyance and transfer, to such successor Trustee under the Liquidating Trust all the estates, properties, rights, powers, and privileges of such predecessor Trustee.

ARTICLE VI

REPORTS TO HOLDERS OF LIQUIDATING TRUST INTERESTS

6.1 Securities Laws. Under section 1145 of the Bankruptcy Code, the issuance of Liquidating Trust Interests under the Plan shall be exempt from registration under the Securities Act of 1933, as amended, and applicable state and local laws requiring registration of securities. If the Trustee determines, with the advice of counsel, that the Liquidating Trust is required to comply with any of the registration, reporting, or other requirements of the Securities Exchange Act of 1934, as amended, or the Investment Company Act of 1940, as amended, then the Trustee shall take any and all actions necessary to comply with such requirements or may seek exemption from the Securities and Exchange Commission therefor, and, if granted, shall comply with the terms of any such exemption.

6.2 Other Reporting. If the Trustee is not required to file the periodic reports referred to in Section 6.1 above, as soon as practicable after the end of each calendar year and as soon as practicable upon termination of the Liquidating Trust, the Trustee shall make available upon request to each holder of Liquidating Trust Interests appearing on its records as of the end of such period or such date of termination a written report including: (a) financial statements prepared in accordance with U.S. generally accepted accounting principles of the Liquidating Trust for such period, and, if the end of a calendar year, a report (which may be prepared by an independent certified public accountant employed by the Trustee) reflecting the result of such agreed upon procedures relating to the financial accounting administration of the Liquidating Trust as considered by the Trustee in its discretion, to be appropriate under the circumstances; (b) a description of any action taken by the Trustee in the performance of its duties that materially affects the Liquidating Trust and of which notice has not previously been given to the holders of Liquidating Trust Interests; and (c) a description of the progress of converting Term Lenders Liquidating Trust Assets to Cash and making distributions to holders of Liquidating Trust Interests and any other material information relating to the Term Lenders Liquidating Trust Assets and the administration of the Liquidating Trust. The Trustee may post any such report on a web site maintained by the Trustee in lieu of providing a copy of to holders of Liquidating Trust Interests (unless otherwise required by law).

6.3 Tax Reporting. In addition, within ninety (90) days following the end of each calendar year, the Trustee shall submit to each holder of Liquidating Trust Interests appearing on its records during such year a separate statement setting forth the information necessary for such holder to determine its share of items of income, gain, loss, deduction, or credit and will instruct each holder to report such items on its federal income tax returns (and state and local tax returns, as applicable) or to forward the appropriate information to the beneficial owners with instructions to report such items on their federal income tax returns (or state and local tax returns, as applicable).

ARTICLE VII

TERMINATION OF LIQUIDATING TRUST

7.1 Termination of Liquidating Trust.

(a) The Trustee and the Liquidating Trust shall be discharged or dissolved, as the case may be, at such time as (i) the Trustee determines, that the prosecution of the Term Lenders Liquidating Trust Assets is not likely to yield sufficient additional Cash to justify further pursuit and (ii) all distributions required to be made by the Trustee under the Plan and the Liquidating Trust Agreement have been made, but in no event shall the Liquidating Trust be dissolved later than three (3) years from the Effective Date unless the Bankruptcy Court, upon motion within the six month period prior to the third anniversary (or at least six (6) months prior to the end of an extension period), determines that a fixed period extension (not to exceed an additional three years, together with any prior extensions, without a favorable letter ruling from the Internal Revenue Service that any further extension would not adversely affect the status of the trust as a liquidating trust for federal income tax purposes) is necessary to facilitate or complete the recovery and liquidation of the Term Lenders Liquidating Trust Assets.

(b) The Trustee shall not unduly prolong the duration of the Liquidating Trust and shall at all times endeavor to resolve, settle, or otherwise dispose of all claims that constitute Term Lenders Liquidating Trust Assets and to effect the distribution of the Term Lenders Liquidating Trust Assets to the holders of the Liquidating Trust Interests in accordance with the terms hereof and terminate the Liquidating Trust as soon as practicable. Prior to and upon termination of the Liquidating Trust, the Term Lenders Liquidating Trust Assets will be distributed to the holders of the Liquidating Trust Interests, pursuant to the provisions set forth in Section 3.6 hereof. If any Term Lenders Liquidating Trust Assets are not duly claimed, such Term Lenders Liquidating Trust Assets will be redistributed *pro rata* to all other holders of Liquidating Trust Interests receiving Term Lenders Liquidating Trust Assets pursuant to Section 3.6 hereof.

(c) If at any time the Trustee determines that the expense of administering the Liquidating Trust so as to make a final distribution to its beneficiaries of all remaining assets of the trust is likely to exceed the value of the assets remaining in the Liquidating Trust, the Trustee shall apply to the Bankruptcy Court for authority to donate any balance to a charitable organization exempt from federal income tax under section 501(c)(3) of the Tax Code that is unrelated to the Debtors, the Liquidating Trust, and any insider of the Trustee. Notice of such application shall be given and (unless otherwise ordered by the Bankruptcy Court) is only required to be given electronically, to the extent practicable, to those parties who have submitted to the Trustee written notices and whose electronic addresses remain current and operating.

7.2 Continuance of Trust for Winding Up. After the termination of the Liquidating Trust and for the purpose of liquidating and winding up the affairs of the Liquidating Trust, the Trustee shall continue to act as such until its duties have been fully performed. Upon termination of the Liquidating Trust, the Trustee shall retain for a period of two years the books, records, lists of holders of Liquidating Trust Interests, the register of holders of Liquidating Trust Interests, and certificates and other documents and files which shall have been delivered to or

created by the Trustee. At the Trustee's discretion, all of such records and documents may, but need not, be destroyed at any time after two years from the completion and winding up of the affairs of the Liquidating Trust. Except as otherwise specifically provided herein, upon the termination of the Liquidating Trust, the Trustee shall have no further duties or obligations hereunder.

ARTICLE VIII

LIMITATIONS ON LIABILITY; INDEMNIFICATION

8.1 Liability of Trustee; Indemnification. None of the Trustee or any of its designees, partners, affiliates, employees, or professionals, or any duly designated agent or representative of the Trustee, shall be liable for the act or omission of the Trustee, in its capacity as Trustee, or any other agent or representative of the Trustee, nor shall the Trustee be liable for any act or omission taken or omitted to be taken in its capacity as the Trustee, other than acts or omissions resulting from the Trustee's willful misconduct, gross negligence, self-dealing, or *ultra vires* acts. The Trustee may, in connection with the performance of its functions, and in its sole and absolute discretion, consult with its attorneys, accountants, financial advisors, employees, and agents, and shall not be liable for any act taken, omitted to be taken, or suffered to be done in accordance with advice or opinions rendered by such persons. Notwithstanding such authority, the Trustee shall not be under any obligation to consult with its attorneys, accountants, financial advisors, or agents, and its determination not to do so shall not result in the imposition of liability on the Trustee or, as applicable, its designees, unless such determination is based on willful misconduct, gross negligence, self-dealing, or *ultra vires* acts. The Liquidating Trust shall indemnify and hold harmless the Trustee or any of its respective designees, partners, affiliates, employees, or professionals, or any duly designated agent or representative of the Trustee (in their capacity as such), from and against and in respect of all liabilities, losses, damages, claims, costs, and expenses, including, but not limited to, attorneys' fees and costs payable monthly in arrears arising out of or due to their actions or omissions, or consequences of such actions or omissions with respect to the Liquidating Trust or the implementation or administration of this Trust Agreement and the Plan; *provided, however*, that no such indemnification will be made to such persons for such actions or omissions as a result of willful misconduct, gross negligence, self-dealing, or *ultra vires* acts.

8.2 Reliance by Trustee. Except as otherwise provided in Section 9.1 hereof:

(a) The Trustee may rely, and shall be protected in acting upon, any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, or other paper, document, spreadsheet, or database believed by it to be genuine and to have been signed or presented by the proper party or parties; and

(b) Persons dealing with the Trustee shall look only to the Term Lenders Liquidating Trust Assets to satisfy any liability incurred by the Trustee to such person in carrying out the terms of this Trust Agreement, and neither the Trustee nor any of its designees, partners, affiliates, agents, employees, representatives, attorneys, or professionals shall have any personal obligation or recourse of any nature or kind whatsoever to satisfy any such liability.

ARTICLE IX

AMENDMENT AND WAIVER

9.1 Amendment and Waiver. Any substantive provision of this Trust Agreement may be amended or waived by the holders of a majority of the Liquidating Trust Interests. Technical amendments to this Trust Agreement may be made, as necessary, to clarify this Trust Agreement or enable the Trustee to effectuate the terms of this Trust Agreement by the Trustee without Bankruptcy Court approval but with notice to each of the holders of Liquidating Trust Interests. Notwithstanding this Section 9.1, any amendments to this Trust Agreement shall not be inconsistent with the purpose and intention of the Liquidating Trust to liquidate in an expeditious but orderly manner the Term Lenders Liquidating Trust Assets in accordance with Treasury Regulations Section 301.7701-4(d) and Section 3.1 hereof.

ARTICLE X

MISCELLANEOUS PROVISIONS

10.1 Intention of Parties to Establish Liquidating Trust. This Trust Agreement is intended to create a liquidating trust for federal income tax purposes and, to the extent provided by law, shall be governed and construed in all respects as such a trust and any ambiguity herein shall be construed consistent herewith and, if necessary, this Trust Agreement may be amended to comply with such federal income tax laws, which amendments may apply retroactively.

10.2 Preservation of Privilege and Defenses. Any attorney-client privilege, work-product privilege, or other privilege or immunity attaching to any documents or communications (whether written or oral) transferred to the Liquidating Trust shall vest in the Trustee and its representatives, and the Debtors and the Trustee are authorized to take all necessary actions to effectuate the transfer of such privileges and available defenses. Any and all work-product created by on or behalf of the Trustee, its retained professionals (including, but not limited to, its counsel), agents, representatives, and employees shall be deemed confidential to the extent that such work-product is not protected by any applicable attorney work-product privilege.

10.3 Laws as to Construction. This Trust Agreement shall be governed by, construed and enforced in accordance with the laws of the State of New York, without giving effect to provisions, policies, or principles thereof governing conflict or choice of laws.

10.4 Severability. If any provision of this Trust Agreement or the application thereof to any person or circumstance shall be finally determined by a court of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of this Trust Agreement, or the application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and such provision of this Trust Agreement shall be valid and enforced to the fullest extent permitted by law.

10.5 Notices. Except as otherwise provided in Section 7.1(c), any notice or other communication hereunder shall be in writing and shall be deemed to have been sufficiently given, for all purposes, if personally delivered or sent by mail, postage prepaid, or by telecopy

addressed to the person for whom such notice is intended as follows (or such other address as may be designated by notice given in accordance with this Section 10.5):

If to the Trustee:

Barrier Advisors, Inc.
13455 Noel Road, Suite 2200
Dallas, TX 75240
Attn: Kent Laber

If to the Debtors:

Cole, Schotz, Meisel, Forman & Leonard, P.A.
1000 N. West Street
Suite 1200
Wilmington, DE 19801
Attn: Irving E. Walker, Esq. and Norman L. Pernick, Esq.

If to a holder of a Liquidating Trust Interest:

To the name and address set forth on the registry
maintained by the Trustee.

10.6 Headings. The section headings contained in this Trust Agreement are solely for convenience of reference and shall not affect the meaning or interpretation of this Trust Agreement or of any term or provision hereof.

10.7 Relationship to the Plan. The principal purpose of this Trust Agreement is to aid in the implementation of the Plan and therefore this Trust Agreement incorporates the provisions of the Plan. To that end, the Trustee shall have full power and authority to take any action consistent with the purpose and provisions of the Plan and to seek any orders from the Bankruptcy Court in furtherance of implementation of the Plan and this Trust Agreement. If any provisions of this Trust Agreement are found to be inconsistent with the provisions of the Plan, the provisions of this Trust Agreement shall control.

IN WITNESS WHEREOF, the parties hereto have either executed and acknowledged this Trust Agreement, or caused it to be executed and acknowledged on their behalf by their duly authorized officers all as of the date first above written.

DEBTORS:

Fedders North America, Inc., now known as FNA Liquidating, Inc.

By: Kent E. Hansen
Name: Kent E. Hansen
Title: Executive Vice President

Columbia Specialties, Inc.

By: Kent E. Hansen
Name: Kent E. Hansen
Title: Executive Vice President

Emerson Quiet Kool Corporation, now known as EQKC Liquidating, Inc.

By: Kent E. Hansen
Name: Kent E. Hansen
Title: Executive Vice President

Enviroco Corporation

By: Kent E. Hansen
Name: Kent E. Hansen
Title: Executive Vice President

Eubank Coil Company

By: Kent E. Hansen
Name: Kent E. Hansen
Title: Executive Vice President

Fedders Addison Company, Inc. now known as FJCC Florida Liquidating, Inc.

By: Kent E. Hansen
Name: Kent E. Hansen
Title: Executive Vice President

Fedders Corporation

By: Kent E. Hansen

Name: Kent E. Hansen

Title: Executive Vice President

Fedders Holding Company, Inc., now known as FHC Liquidating, Inc.

By: Kent E. Hansen

Name: Kent E. Hansen

Title: Executive Vice President

Fedders, Inc.

By: Kent E. Hansen

Name: Kent E. Hansen

Title: Executive Vice President

Fedders International, Inc., now known as FI Liquidating, Inc.

By: Kent E. Hansen

Name: Kent E. Hansen

Title: Executive Vice President

Fedders Investment Corporation, now known as FIC Liquidating, Inc.

By: Kent E. Hansen

Name: Kent E. Hansen

Title: Executive Vice President

Fedders Islandaire, Inc. (a New York corporation), now known as FI Liquidating, Inc.

By: Kent E. Hansen

Name: Kent E. Hansen

Title: Executive Vice President

Fedders Outlet, Inc., now known as FO Liquidating, Inc.

By: Kent E. Hansen

Name: Kent E. Hansen

Title: Executive Vice President

Herrmidifier Company, Inc.

By: Kent E. Hansen
Name: Kent E. Hansen
Title: Executive Vice President

Island Metal Fabricating, Inc.

By: Kent E. Hansen
Name: Kent E. Hansen
Title: Executive Vice President

Rotorex Company, Inc.

By: Kent E. Hansen
Name: Kent E. Hansen
Title: Executive Vice President

Trion, Inc.

By: Kent E. Hansen
Name: Kent E. Hansen
Title: Executive Vice President

IN WITNESS WHEREOF, the parties hereto have either executed and acknowledged this Trust Agreement, or caused it to be executed and acknowledged on their behalf by their duly authorized officers all as of the date first above written.

TERM LENDERS:

Goldman Sachs Credit Partners, L.P.

By: DAJ
Name: _____
Title: David Goldberg
Managing Director

Camulos Master Fund, L.P.

By: _____
Name: _____
Title: _____

Highland Capital Management, L.P.

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the parties hereto have either executed and acknowledged this Trust Agreement, or caused it to be executed and acknowledged on their behalf by their duly authorized officers all as of the date first above written.

TERM LENDERS:

Goldman Sachs Credit Partners, L.P.

By: _____

Name:

Title:

Camulos Master Fund, L.P.

By: _____

Name:

Title:

RICHARD D. NOLAHAN, JR.
Authorized Signatory

Highland Capital Management, L.P.

By: _____

Name:

Title:

IN WITNESS WHEREOF, the parties hereto have either executed and acknowledged this Trust Agreement, or caused it to be executed and acknowledged on their behalf by their duly authorized officers all-as of the date first above written.

TERM LENDERS:

Goldman Sachs Credit Partners, L.P.

By: _____

Name:

Title:

Camulos Master Fund, L.P.

By: _____

Highland Crusader Offshore Partners, L.P.

By: Highland Crusader Fund GP, L.P., its General Partner

By: Highland Crusader GP, LLC, its General Partner

By: Highland Capital Management, L.P., its Sole Member

By: Strand Advisors, Inc., its General Partner

By: _____

Name:

Title:

Michael Pusateri
Chief Operating Officer

IN WITNESS WHEREOF, the parties hereto have either executed and acknowledged this Trust Agreement, or caused it to be executed and acknowledged on their behalf by their duly authorized officers all as of the date first above written.

TRUSTEE:

Barrier Advisors, Inc., as Trustee

By: 

Name: Harold J. Messler
Title: Director

SCHEDULE I



Barrier Advisors, Inc.
Two Galleria Tower
13455 Noel Road, Suite 2200
Dallas, Texas 75240
972.763.4000 Main
972.763.4001 Fax
www.barrieradvisors.com

August 21, 2008

Goldman Sachs Credit Partners, L.P.
1 New York Plaza, 49th Floor
New York, NY 10004

Attention: Caroline Benton & Luke Gosselin

Re: Retention of Barrier Advisors as Fedders Plan Administrator and Trustee (the "*Trustee*") of the Fedders Term Lenders Liquidating Trust (the "*Trust*") in respect of \$50,000,000 Senior Secured Term Loan Facility among Fedders North America, Inc., Fedders Corporation ("*Fedders*" or the "*Company*"), certain subsidiaries of Fedders, the Lenders (the "*Lenders*") party thereto, and Goldman Sachs Credit Partners L.P. (the "*Agent*") as Administrative Agent, Syndication Agent and Collateral Agent (as amended, amended and restated, modified or otherwise supplemented from time to time, the "*Credit Agreement*")

Dear Cari & Luke:

1. Introduction

This letter sets forth our understanding of the scope and objectives of the assignment (the "*Services*") as well as the general terms and conditions for the retention of Barrier Advisors, Inc. ("*Barrier*") by the Agent. We agree that this letter of engagement (the "*Engagement Letter*" or the "*Engagement*") and the Standard Terms and Conditions attached hereto constitute the engagement contract (the "*Engagement Contract*") pursuant to which such Services, as described below, will be provided. Capitalized terms used in this Engagement Letter and not otherwise defined herein shall have the meanings ascribed to such terms in the attached Standard Terms and Conditions. The Engagement shall commence on September 1, 2008.

2. Scope of Services

The scope of this Plan Administrator and Trustee assignment is as follows:

- a. Manage the Company's and the Trust's business affairs;
- b. Receive, conserve and manage the Trust's assets, and sell or otherwise dispose of such assets for a price and upon such terms and conditions as is deemed most beneficial to Trust;

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- c. Protect, perfect and defend the title and rights to any of the Trust's assets (e.g., the Escrow Agreement between Company and Tomkins PLC) and enforce any mortgages, other obligations or liens owned by the Company and/or Trust;
- d. Prosecute and/or settle litigation claims, if any, and, in connection therewith, participate in or initiate any proceeding before the Bankruptcy Court or any other court of appropriate jurisdiction and participate as a party or otherwise in any administrative arbitration or other non-judicial proceeding on behalf of the Company and/or Trust and pursue such actions to settlement or judgment;
- e. File such tax returns as may be required by federal, foreign, state or local taxing authorities;
- f. Calculate and oversee distributions pursuant to the Company's Plan of Reorganization (the "Plan");
- g. Make such arrangements with regard to the retention of records as deemed appropriate;
- h. Arrange for such liability and casualty insurance as reasonably deemed necessary for the protection of the Company and/or Trust;
- i. Consult with and/or engage any third-party professionals, including, but not limited to, attorneys, accountants, environmental consultants, appraisers or other parties deemed to have qualifications necessary to assist Barrier in its duties hereunder;
- j. Pay the reasonable and documented salaries, fees and expenses of such professionals out of the Trust's available cash; provided however, that fees payable pursuant to a contingent compensation arrangement with an attorney or other professional retained to prosecute a litigation claim shall be paid only from proceeds, if any, of such litigation claim. Barrier shall not be liable for any loss to the Company and/or Trust by any action of any professional employed by Barrier by reason of any mistake or default of such person, if the selection and engagement of such person was made in good faith and without gross negligence;
- k. Seek approval, where required or appropriate, from the Bankruptcy Court for actions taken or to be taken in furtherance of the execution of the terms set forth in the Plan or this Engagement;
- l. Testify as required in connection with any litigation involving the assets of the Company and/or Trust before the Bankruptcy Court; and
- m. Take any and all actions necessary to carry out Barrier's responsibilities and obligations under the terms of the Plan and the Term Lenders Liquidating Trust Agreement.

Such services as outlined above, and the fees related thereto, are subject to change as mutually agreed between us. It is understood and agreed that Barrier may delegate some of its duties under this agreement to third parties; provided that such third parties are reasonably acceptable to the Agent and are supervised by Barrier. Further, any such third party shall agree to substantially the same confidentiality provisions that are included herein.

3. Engagement Fee Structure

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Barrier's compensation for the Services rendered under this Engagement Contract will consist of the following cash fees:

- a. Monthly Advisory Fee. An aggregate financial advisory fee of \$40,000 per month for the first six months and \$25,000 for each month thereafter (the "*Monthly Advisory Fee*"), which is due and payable in advance by the Trust on the first day of each month.
- b. Expenses. The Trust will reimburse Barrier on a monthly basis for all reasonable documented out-of-pocket expenses incurred by Barrier in connection with the provision of the Services, including, but not limited to, airfare, meals, lodging, ground transportation, telephone, legal fees and other expenses incurred in the administration of the Engagement.

Invoices for fees and expenses incurred in connection with this Engagement Letter will be billed on a regular basis to the Trust, with a copy provided to the Agent. Such invoices will be payable by the Trust immediately upon receipt. It is our understanding that the Trust will pay all of our invoices. If the Trust fails to pay our fees and expenses within 30 days of receipt, we will promptly notify the Agent of that fact. Under no circumstances shall the Agent nor any of the Lenders be responsible for the payment of any of Barrier's fees and expenses incurred in connection with this Engagement.

4. Confidential Work Product

Barrier's role shall be as Plan Administrator and Trustee. Written reports, memoranda or status summaries that we prepare under this Engagement Contract will be maintained in accordance with our retention procedures and shall be prominently labeled "Confidential." Further, all work that we perform in connection with this Engagement Contract is intended to constitute attorney work product and will be prepared by Barrier in its role as a consulting expert, unless specifically designated otherwise. Except as may be required by law, regulation or valid judicial or administrative process, we will not disclose to anyone, without the Agent's permission, the content of any oral or written confidential communications received during the course of this Engagement, or any information gained from the inspection of any records or documents provided by the Agent that are identified as confidential.

5. Terms and Conditions

The Standard Terms and Conditions attached hereto and incorporated by reference define and describe the duties of each party with respect to the Services. Further, this Engagement Letter and the Standard Terms and Conditions attached comprise the entire Engagement Contract for the provision of the Services to the exclusion of any other express or implied terms, whether expressed orally or in writing, including any conditions, warranties and representations and shall supersede all previous letters of engagement, undertakings, agreements and correspondence regarding the Services.

6. Governing Law and Jurisdiction

The Engagement Contract shall be governed by and interpreted in accordance with the laws of New York. The Courts of New York shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning the Engagement Contract and any matter arising from it. The parties hereto irrevocably waive any right they may have to object to any action being brought in

August 21, 2008

these Courts, to claim that the action has been brought in an inconvenient forum or to claim that those Courts do not have jurisdiction.

7. Conflicts of Interest

We have undertaken a standard review to determine Barrier's connections with the persons and entities that you have identified. From the results of such review, we are not aware of any conflicts of interest. It is possible that there may be connections, either past or currently existing, that need to be brought to your collective attention as Barrier becomes familiar with the universe of parties who are involved in this assignment. Any such disclosure will be promptly made by Barrier.

Barrier discloses that its ultimate parent corporation is NexBank Capital which shares common controlling equity ownership and overlapping board membership with Highland Capital Management, LP and certain of its affiliates.

8. Form of Report

Any report produced by Barrier in connection with the Engagement shall be in such form as is mutually satisfactory to the parties.

9. Acknowledgement and Acceptance

Please acknowledge your acceptance of the terms of our Engagement Contract by signing both the confirmation below and the attached Standard Terms and Conditions and returning a copy of each to us at the above address.

We look forward to working with you on this assignment. If you have any questions regarding this letter or the attached Standard Terms and Conditions, please do not hesitate to contact me at 972-763-4040.

Regards,

Kent J. Laber
Senior Managing Director

Attachment – As stated

Private and Confidential

August 21, 2008

Confirmation of Terms of Engagement

We agree to engage Barrier upon the terms set forth herein and the attached Standard Terms and Conditions.

Goldman Sachs Credit Partners, L.P.

By: Caroline Benton
Title: Caroline Benton
Authorized Signatory
Date: 8/22/08

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August 21, 2008

**BARRIER ADVISORS, INC.
STANDARD TERMS AND CONDITIONS**

The following are the Standard Terms and Conditions under which we will provide the Services to you set forth within the attached Engagement with Goldman Sachs Credit Partners, L.P. The Engagement and the Standard Terms and Conditions (collectively the "Engagement Contract") form the entire agreement between us relating to the Services. It replaces and supersedes any previous proposals, correspondence, understandings or other communications whether written or oral relating to the Services. The headings and titles in the Engagement Contract are included to make it easier to read but do not form part of the Engagement Contract. The terms "you" and "your," as used herein, collectively refer to Goldman Sachs Credit Partners, L.P. The term "Company," as used herein, refers to Fedders Corporation. The terms "us," "we," "our," and "Barrier," as used herein, refer to Barrier Advisors, Inc.

1. Reports and Advice

1.1 Reliance on drafts - You acknowledge that no reliance shall be placed on draft reports, conclusions or advice, whether oral or written, issued by us as the same may be subject to further work, revision and other factors which may mean that such drafts are substantially different from any final report or advice issued.

1.2 Our responsibility for final reports - In the event we will be acting as independent experts, our reports or advice must be objective and impartial. While we will be prepared to discuss draft reports, which do not constitute our final opinion, the content of our final report is a matter for us, alone, to decide.

1.3 Use and purpose of advice and reports - Any advice given or report issued by us is provided solely for the use and benefit of you and only in connection with the purpose in respect of which the Services are provided. Unless required by law, or as otherwise provided in Section 4.3 of the Standard Terms and Conditions, you shall not provide any advice given or report issued by us to any third party or refer to us or the Services without our prior written consent, which may be withheld at our discretion. In no event, regardless of whether consent has been provided, shall we assume any responsibility to any third party to which any advice or report is disclosed or otherwise made available.

2. Information and Assistance

2.1 Provision of information and assistance - Our performance of the Services is dependent upon the Company providing us with such information and assistance as we may reasonably require from time to time.

2.2 Responsibility for information provided - Any reports issued or conclusions reached by us shall, at least in part, be based upon information provided by the Company or you.

2.3 No assurance on financial data - As part of this Engagement, we will not express any opinion or other form of assurance on the financial statements or financial components of the Company.

2.4 Prospective financial information - We will express no assurance of any kind in the event the Services involve prospective financial information. There will usually be differences between estimated and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We will take no responsibility for the achievability of the expected results.

2.5 Ownership

2.5.1 Barrier Property - Barrier has created, acquired, owns or otherwise has rights in, and may, in connection with the performance of the Services employ, provide, modify, create, acquire or otherwise obtain rights in, various concepts, ideas, methods, methodologies, procedures, processes, know-how, and techniques, models, templates; software, user interfaces and screen designs; general purpose consulting and software tools, utilities and routines; and logic, coherence and methods or operation of systems (collectively the "Barrier Property"). Barrier retains all ownership rights in the Barrier Property. You shall acquire no right or interest in such property, except for the license expressly granted in the next paragraph. We acknowledge that that Barrier Property shall not include any of your confidential information or tangible or intangible property, and we shall have no ownership rights in such property.

August 21, 2008

2.5.2 Ownership of Deliverables – Except for Barrier Property, and upon full and final payment to Barrier under the Engagement Contract, the tangible items specified as deliverables or work product in the Engagement Contract including any intellectual property rights appurtenant thereto (“the Deliverables”) will become the property of you. If any Barrier Property is contained in any of the Deliverables, Barrier hereby grants you a royalty-free, paid-up, non-exclusive, perpetual license to use such Barrier Property in connection with your use of the Deliverables.

3. Fees and Additional Services

3.1 Changes to Services – Any party (you or Barrier) may request changes to the Services. Any variation to the Engagement, including any variation to fees, services or time for performance of the Services, must be separately agreed to in writing and, if agreed, shall form part of the Engagement Contract.

3.2 Payment of fees - Time for payment of fees and expenses shall be of the essence. Invoices are due and payable upon receipt by the Company.

3.3 Responsibility for other parties - You shall be solely responsible for the work and fees of any other party engaged by you to participate in the Engagement regardless of whether such party was introduced to you by us. Except as provided in this Engagement Contract, we shall not be responsible for providing or reviewing specialist advice or services including legal, regulatory, accounting or taxation matters.

4. Confidentiality

4.1 Restrictions on confidential information – All parties (you and Barrier) agree that any confidential information received from the other party shall only be used for the purposes of providing or receiving Services under this or any other contract between us. Except as provided below, no party to this Engagement Contract will disclose the other party's confidential information to any third party without the other party's consent. Confidential information shall not include information that:

4.1.1 is or becomes generally available to the public other than as a result of a breach of an obligation under this clause;

4.1.2 is acquired from a third party who, to our knowledge, owes no obligation of confidence in respect of the information; or

4.1.3 is or has been independently developed by the recipient.

4.2 Disclosing confidential information - Notwithstanding clause 4.1 above, any party to this Engagement Contract will be entitled to disclose confidential information of the other to a third party (i) to the extent that this is required by law or regulation or requested pursuant to valid legal, administrative or judicial process, or the order of a court or (ii) to a third party to whom Barrier has delegated duties under this Engagement Contract; provided, that such third party has agreed to substantially the same confidentiality provisions herein.

4.3 Disclosing confidential information to the Lending Group - Notwithstanding clause 1.3 or 4.1 above, any party to this Engagement Contract will be entitled to disclose Barrier's advice and written reports to other members of the Lending Group, so long as such members are restricted from distributing such information outside of the Lending Group, without the prior written consent of the parties to this Engagement Contract.

4.4 Citation of engagement - Without prejudice to Clause 4.1 and 4.2 above, we may cite generally the performance of the Services to our clients and prospective clients as an indication of our experience, unless we both specifically agree otherwise in writing.

4.5 Maintenance of workpapers - Notwithstanding the above, we may keep archives of our working papers from the Engagement, including working papers containing or reflecting confidential information.

5. Termination

5.1 Termination of Engagement with notice – Any party to this Engagement Contract (you or Barrier) may terminate the Engagement for whatever reason upon 30 days written notice to the other parties. Certain Lenders (or their affiliates) have acknowledged to Barrier that, in the event Barrier is unable to obtain payment from the Company of fees and expenses incurred by Barrier through the date the termination is effective (including, but not limited to, the pro rata portion of its Monthly Advisory Fee for the month of final termination), then they will severally pay such amounts to Barrier on a pro rata basis according to their outstanding Term Loans.

5.2 Continuation of terms - The following terms of the Engagement Contract shall survive its termination or

August 21, 2008

expiration and continue to bind all parties: terms relating to payment of fees and expenses, confidentiality, limitation on liability, commencement of legal proceedings, and waiver of jury trial.

6. Liability Limitation

6.1 **Limitation of liability** - Barrier (including Barrier's partners, agents and employees) shall not be liable to you regardless of the form of action, damage, claim, liability, cost, expense, or loss, whether a claim be in tort, contract, statute or otherwise:

6.1.1 for any amount in excess of the total professional fees paid to Barrier under this Engagement Contract; or

6.1.2 for any consequential, special, indirect, incidental, punitive or exemplary damages, costs, expenses, or losses (including, without limitation, lost profits and opportunity costs).

Barrier shall not be liable to any parties in the Lending Group for any action taken or omitted to be taken in connection with this Engagement, except for its own finally determined willful misconduct or fraudulent behavior.

6.2 **Commencement of legal proceedings** - You accept and acknowledge that any legal proceedings arising from or in connection with the Engagement (or any variation or addition thereto) must be commenced within one year from the date when you become aware of or ought reasonably to have become aware of the facts which give rise to our alleged liability and, in any event, not later than the shorter of (i) two years after any alleged breach of contract or act of negligence or commission of any other tort or (ii) the statute of limitations mandated by applicable law.

6.3 **Waiver of jury trial** - In the unlikely event that differences concerning our services or fees should arise that are not resolved by mutual agreement, to facilitate judicial resolution and save time and expense, you and Barrier agree not to demand a trial by jury in any action, proceeding or counterclaim arising out of or relating to our Services and fees for this Engagement.

7. Results

7.1 **YOU ACCEPT AND ACKNOWLEDGE THAT WE HAVE NOT MADE ANY WARRANTIES OR GUARANTEES OF ANY NATURE WITH RESPECT TO THE RESULTS, OUTCOME, OR FINAL DEVELOPMENTS IN THIS MATTER OR WITH RESPECT TO THE ECONOMIC, FINANCIAL OR OTHER RESULTS WHICH YOU MAY EXPERIENCE**

AS A RESULT OF THE PROVISION OF THE SERVICES. FURTHER, BARRIER HEREBY DISCLAIMS ALL OTHER WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

8. Working for Other Clients

8.1 We will not be prevented or restricted by anything in the Engagement Contract from providing services to other clients in matters that are not directly related to this Engagement. We will take reasonable steps to ensure that confidential information communicated to us during the course of this Engagement will be maintained confidentially.

9. Force Majeure

9.1 Neither you nor Barrier shall be liable for any delays resulting from circumstances or causes beyond its reasonable control, including, without limitation, fire or other casualty, act of God, strike or labor dispute, war or other violence, or any law, order or requirement of any governmental agency or authority.

10. Independent Contractor

10.1 It is understood and agreed that each of the parties hereto is an independent contractor and that neither party is or shall be considered an agent, distributor, or representative of the other. Neither party shall act or represent itself, directly or by implication, as an agent of the other or in any manner assume or create any obligation on behalf of, or in the name of, the other.

10.2 The above paragraph 10.1 notwithstanding, Barrier will be deemed an agent of the Agent solely for purposes of any indemnification and/or liability limiting provisions of the Credit Agreement or for purposes of considering the application of the attorney-client privilege and other immunity.

11. Assignment

11.1 Except as otherwise provided herein, neither party may assign or transfer any of its rights or obligations without the prior written consent of the other party.

12. Severability

12.1 In the event that any term or provision of this Agreement shall be held to be invalid, void, or unenforceable, then the remainder of this Agreement shall not be affected, and each

August 21, 2008

these Courts, to claim that the action has been brought in an inconvenient forum or to claim that those Courts do not have jurisdiction.

7. Conflicts of Interest

We have undertaken a standard review to determine Barrier's connections with the persons and entities that you have identified. From the results of such review, we are not aware of any conflicts of interest. It is possible that there may be connections, either past or currently existing, that need to be brought to your collective attention as Barrier becomes familiar with the universe of parties who are involved in this assignment. Any such disclosure will be promptly made by Barrier.

Barrier discloses that its ultimate parent corporation is NexBank Capital which shares common controlling equity ownership and overlapping board membership with Highland Capital Management, LP and certain of its affiliates.

8. Form of Report

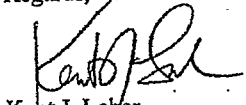
Any report produced by Barrier in connection with the Engagement shall be in such form as is mutually satisfactory to the parties.

9. Acknowledgement and Acceptance

Please acknowledge your acceptance of the terms of our Engagement Contract by signing both the confirmation below and the attached Standard Terms and Conditions and returning a copy of each to us at the above address.

We look forward to working with you on this assignment. If you have any questions regarding this letter or the attached Standard Terms and Conditions, please do not hesitate to contact me at 972-763-4040.

Regards,



Kent J. Lauer
Senior Managing Director

Attachment - As stated

Private and Confidential

August 21, 2008

such term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

13. Counterparts

13.1 This Agreement may be signed in counterparts, and all such counterparts shall be deemed to be a single, original Agreement.

14. Electronic Mail Communications

14.1 Barrier may communicate with you by electronic mail or otherwise transmit documents in electronic form during the course of this engagement. You hereby accept the inherent risks of these forms of communication (including the security risks of interception of or unauthorized access to such communications and the risks of viruses or other harmful devices) and agree that you may rely only upon a final hardcopy version of a document or other communication that Barrier transmits to you.

Barrier Advisors, Inc.

Confirmation of Terms of Engagement

We agree to engage Barrier upon the terms set forth in these Standard Terms and Conditions as outlined above and as set forth in the foregoing Engagement Letter.

Goldman Sachs Credit Partners, L.P.

By: _____

Title: _____

Date: _____



North Carolina Department of Environment and Natural Resources

Dexter Matthews, Director

Division of Waste Management

Beverly Eaves Perdue, Governor
Dee Freeman, Secretary

October 14, 2009

Mr. Harold J. Kessler
Barrier Advisors, Inc.
13455 Noel Road, Suite 2200
Dallas, TX 75240

STATE FILE

Re: Final REC Administrative Agreement
Trion, Inc.
Sanford, Lee County, NC
Site ID No. NONCD0002843

Dear Mr. Kessler:

Per my October 13, 2009 telephone call with Kent Hansen, I am forwarding another revised final Administrative Agreement (AA) for a Registered Environmental Consultant (REC)-directed, voluntary assessment and remedial action for the above referenced Site. The original, final AA must be signed by both the remediating party (RP) and REC and returned to me for execution by the Division of Waste Management (DWM). Note that the RP must sign the AA in two (2) locations. After it is executed, a copy of the AA will be returned for your records. Be aware, when the AA is signed, both the RP and REC will be acknowledging that the REC is fully accountable for complying with the REC Rules (15A NCAC 13C .0300) including the deadlines established upon execution of the AA and the standards of conduct for RECs in Section .0305(b).

If you have any questions, please contact me by phone at (919) 508-8451 or e-mail at Kim.Caulk@ncdenr.gov.

Sincerely,

Kim T. Caulk
REC Program
Inactive Hazardous Sites Branch
Superfund Section

Enclosure

cc: Mr. Rob MacWilliams, URS (w/out enclosure)



North Carolina Department of Environment and Natural Resources

Dexter Matthews, Director

Division of Waste Management

Beverly Eaves Perdue, Governor
Dee Freeman, Secretary

August 20, 2009

Mr. Harold J. Kessler
Barrier Advisors, Inc.
13455 Noel Road, Suite 2200
Dallas, TX 75240

STATE FILE

Re: Final REC Administrative Agreement
Trion, Inc.
Sanford, Lee County, NC
Site ID No. NONCD0002843

Dear Mr. Kessler:

The Inactive Hazardous Sites Branch (Branch) is forwarding a revised final Administrative Agreement (AA) for a Registered Environmental Consultant (REC)-directed, voluntary assessment and remedial action for the above referenced Site. The original, final AA must be signed by both the remediating party (RP) and REC and returned to me for execution by the Division of Waste Management (DWM). Note that the RP must sign the AA in two (2) locations. After it is executed, a copy of the AA will be returned for your records. Be aware, when the AA is signed, both the RP and REC will be acknowledging that the REC is fully accountable for complying with the REC Rules (15A NCAC 13C .0300) including the deadlines established upon execution of the AA and the standards of conduct for RECs in Section .0305(b).

If you have any questions, please contact me by phone at (919) 508-8451 or e-mail at Kim.Caulk@ncdenr.gov.

Sincerely,

Kim T. Caulk
REC Program
Inactive Hazardous Sites Branch
Superfund Section

Enclosure

cc: Mr. Rob MacWilliams, URS (w/out enclosure)

Caulk, Kim

From: Caulk, Kim
Sent: Friday, May 15, 2009 2:03 PM
To: 'Harold Kessler'
Cc: 'Kent Hansen'; rob_macwilliams@urscorp.com
Subject: Original REC-AA for Trion, Inc., Sanford, NC

STATE FILE

Mr. Kessler:

Per my voice mail from yesterday, I received a signed REC-AA on May 11, 2009 for the above Site; however, it was a copy of the AA document that was sent to you. As indicated in the March 20, 2009 cover letter that was submitted with the AA, the original final AA must be signed and returned (along with Attachments A & B) to the Branch for execution.

If you have any questions, please contact me.

Thanks,

Kim T. Caulk, P.G.
Inactive Hazardous Sites Branch - REC Program
NCDENR - Division of Waste Management
401 Oberlin Road, Suite 150
Raleigh, North Carolina 27605
Phone: (919) 508-8451
Fax: (919) 733-4811
e-mail: kim.caulk@ncdenr.gov
<http://www.wastenotnc.org/sfhome/recprog.htm>

E-mail correspondence to and from this address may be subject to the North Carolina Public Records Law and may be disclosed to third parties.



North Carolina Department of Environment and Natural Resources

Dexter Matthews, Director

Division of Waste Management

Beverly Eaves Perdue, Governor
Dee Freeman, Secretary

March 20, 2009

Mr. Harold J. Kessler
Barrier Advisors, Inc.
13455 Noel Road, Suite 2200
Dallas, TX 75240

STATE FILE

Re: Final REC Administrative Agreement
Trion, Inc.
Sanford, Lee County, NC
Site ID No. NONCD0002843

Dear Mr. Kessler:

The Inactive Hazardous Sites Branch (Branch) is forwarding a final Administrative Agreement (AA) for a Registered Environmental Consultant (REC)-directed, voluntary assessment and remedial action for the above referenced Site. The original, final AA must be signed by both the remediating party (RP) and REC and returned to me for execution by the Division of Waste Management (DWM). Note that the RP must sign the AA in two (2) locations. After it is executed, a copy of the AA will be returned for your records. Be aware, when the AA is signed, both the RP and REC will be acknowledging that the REC is fully accountable for complying with the REC Rules (15A NCAC 13C .0300) including the deadlines established upon execution of the AA and the standards of conduct for RECs in Section .0305(b).

If you have any questions, please contact me by phone at (919) 508-8451 or e-mail at Kim.Caulk@ncmail.net.

Sincerely,

Kim T. Caulk
REC Program
Inactive Hazardous Sites Branch
Superfund Section

Enclosure

cc: Mr. Rob MacWilliams, URS (w/out enclosure)

STATE FILE

Subject: Re: Revised REC-AA for Trion
From: Kent Hansen <khansen.fedders@gmail.com>
Date: Wed, 11 Mar 2009 16:42:55 -0400
To: "Finlator, Wallace" <wfinlat@ncdoj.gov>
CC: "Kim T. Caulk" <Kim.Caulk@ncmail.net>, Harold Kessler <HKessler@barrieradvisors.com>

Kim and Wallace,

I am fine with these changes.

Harold,

You will be asked to sign on behalf of Barrier. Please advise as to whether you have any issues.

Thanks,

Kent

On Wed, Mar 11, 2009 at 3:06 PM, Finlator, Wallace <wfinlat@ncdoj.gov> wrote:

Kent and Kim,

Kent, thank you for your e-mail below.

Kent and Kim, see my proposes tweaks to Kent's proposed edit to section IV.H. See track changes and final draft.

Wallace

From: Kent Hansen [mailto:khansen.fedders@gmail.com]
Sent: Wednesday, March 11, 2009 1:15 PM
To: Finlator, Wallace
Cc: Kim T. Caulk; Harold Kessler

Subject: Re: Revised REC-AA for Trion

Dear Wallace:

Paragraphs O and BB of the confirmation order refer to Barrier Advisors, Inc. as Plan Administrator. Paragraph 12 of the order authorizes execution of the Term Lenders Trust Agreement. Paragraph 15 of the order approves the appointment of Barrier Advisors, Inc. as the Plan Administrator. Attached is a copy of the executed trust agreement.

Please let me know if you require anything further.

Thanks,

Kent

On Wed, Mar 11, 2009 at 12:36 PM, Finlator, Wallace <wfinlat@ncdoj.gov> wrote:

Kent ,

I look forward to your e-mail.

Thanks and best regards,

Wallace Finlator

919-716-6984

From: Kim T. Caulk [mailto:Kim.Caulk@ncmail.net]
Sent: Wednesday, March 11, 2009 8:33 AM
To: Kent Hansen
Cc: Harold Kessler; Finlator, Wallace
Subject: Re: Revised REC-AA for Trion

Thanks. I think we are close now. I have copied my attorney, Wallace Finlator. He can be reached at (919) 716-6984.

I will forward your other e-mail with the changes to him to look over. The confirmation order was a lengthy document, so maybe he and you can come up with a suitable part of it to include as Attachment B.

Kim T. Caulk, P.G.

Inactive Hazardous Sites Branch - REC Program

NCDENR - Division of Waste Management

401 Oberlin Road, Suite 150

Raleigh , North Carolina 27605

Phone: (919) 508-8451

Fax: (919) 733-4811

e-mail: kim.caulk@ncmail.net

<http://www.wastenotnc.org/sfhome/recprog.htm>

E-mail correspondence to and from this address may be subject to the North Carolina Public Records Law and may be disclosed to third parties.

Kent Hansen wrote:

Dear Kim:

I have suggested some changes in the last paragraph, including what would be attached as Exhibit B. The reason for this is that there is no one to give Barrier a power of attorney. The court won't do that. It has already provided Barrier with the authority necessary to sign this agreement in the confirmation order. If your attorney needs to discuss this with me or the bankruptcy attorney, please let me know. Except

for this issue, the agreement looks fine to me.

Kent

On Tue, Mar 10, 2009 at 2:43 PM, Kim T. Caulk <Kim.Caulk@ncmail.net> wrote:

Kent :

Attached is the revised AA. Let me know if we have it correct now and provide the information for attachment B. Assuming everything is fine, I'll then mail the final AA for signature.

Thanks,

Kim T. Caulk, P.G.

Inactive Hazardous Sites Branch - REC Program

NCDENR - Division of Waste Management

401 Oberlin Road, Suite 150

Raleigh , North Carolina 27605

Phone: (919) 508-8451

Fax: (919) 733-4811

e-mail: kim.caulk@ncmail.net

<http://www.wastenotnc.org/sfhome/recprog.htm>

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Kim T. Caulk wrote:

I'm waiting on Wallace to return my call. If you have the bankruptcy information that gives Barrier Advisors power of attorney, go ahead and e-mail it to me and I'll forward it to him.

Thanks,

Kim T. Caulk, P.G.

Inactive Hazardous Sites Branch - REC Program

NCDENR - Division of Waste Management

401 Oberlin Road, Suite 150

Raleigh , North Carolina 27605

Phone: (919) 508-8451

Fax: (919) 733-4811

e-mail: kim.caulk@ncmail.net

<http://www.wastenotnc.org/sfhome/recprog.htm>

E-mail correspondence to and from this address may be subject to the North Carolina Public Records Law and may be disclosed to third parties.

Kent Hansen wrote:

Thanks, Kim. I will wait to hear from you. If I need to speak with your attorney, I am available to do so. The important thing to note is that the Plan Administrator does not assume or undertake any of the bankrupt companies' liabilities or obligations. It administers the bankruptcy plan approved by the court.

Kent

On Tue, Mar 10, 2009 at 9:16 AM, Kim T. Caulk <Kim.Caulk@ncmail.net> wrote:

Let me go over this with my attorney. I'm hoping to see him later this morning.

Kim

E-mail correspondence to and from this address may be subject to the North Carolina Public Records Law and may be disclosed to third parties.

Kent Hansen wrote:

Dear Kim:

I have noted some changes in the attachment. Barrier Advisors, Inc. is not the Remediator. The Remediator is Trion, Inc. and Barrier Advisors, Inc. is authorized to sign on its behalf. Barrier is not undertaking any obligations to the State or anyone else in its capacity as Plan Administrator. It is signing on behalf of Trion, Inc., as authorized by the bankruptcy plan approved by the court. Please let me know if we have to discuss this, as this is a significant issue for Barrier. Also, I did not see the Power of Attorney attached.

Thanks,

Kent

On Mon, Mar 9, 2009 at 2:56 PM, Kim T. Caulk <Kim.Caulk@ncmail.net> wrote:

Kent :

Per our telephone conversation, attached is the revised REC-AA for Trion. Please let me know if you are ok with these revisions or contact me if we need to discuss.

Thanks,

—
Kim T. Caulk, P.G.
Inactive Hazardous Sites Branch - REC Program
NCDENR - Division of Waste Management
401 Oberlin Road, Suite 150
Raleigh, North Carolina 27605
Phone: (919) 508-8451
Fax: (919) 733-4811
e-mail: kim.caulk@ncmail.net
<http://www.wastenotnc.org/sfhome/recprog.htm>

E-mail correspondence to and from this address may be subject to the North Carolina Public Records Law and may be disclosed to third parties.

Subject: Re: Draft REC-AA request for Trion, Inc., Sanford, NC

From: "Kent Hansen" <khansen.fedders@gmail.com>

Date: Fri, 9 Jan 2009 08:34:31 -0500

To: "Kim T. Caulk" <Kim.Caulk@ncmail.net>

CC: Rob_MacWilliams@urscorp.com, Kristine_MacWilliams@urscorp.com, hkessler@barrieradvisors.com, "ANNA JONES" <Anna.Jones@ncmail.net>, greg_quandt@urscorp.com, "Amy H Wright/USA/Tomkins" <ahwright@tomkins.co.uk>, "Athan Vinolus/USA/Tomkins" <avinolus@tomkins.co.uk>, "Steve Pfister/USA/Tomkins" <spfister@tomkins.co.uk>

STATE FILE

The other changes were, in my view, just corrections of typos. As long as you will change the name of the Remediator, I am ready for you to finalize the AA.

Thanks,

Kent

On Thu, Jan 8, 2009 at 1:46 PM, Kim T. Caulk <Kim.Caulk@ncmail.net> wrote:

Kent:

Thank you for your comments regarding the draft REC-AA. Be aware that the AA is a standard document prepared by the attorney general's office as indicated below. The majority of the AA comes from the REC Rules and the Inactive Hazardous Sites Response Act and, therefore, the contents cannot be changed. The Branch has performed a brief cursory review of your proposed modifications. The remediator name can be changed as requested, however, the other modifications appear to be minor and do not improve the text or meaning of the AA. If you would like to discuss the AA and your proposed changes, please call me. Otherwise, let me know if you are ready for me to finalize the AA.

Thanks,

Kim

Kent Hansen wrote:

Dear Kim,

My comments are noted in the attachment. There are several minor "nits" for your consideration. The only change is that Trion, Inc. should be designated as the "Remediator", with Barrier Advisors, Inc. signing on its behalf as Plan Administrator and Trustee.

Please let me know if you have any questions.

Kent Hansen

On Wed, Jan 7, 2009 at 10:23 AM, Kim T. Caulk <Kim.Caulk@ncmail.net> wrote:

Attached is a **draft** Administrative Agreement (AA) for a Registered Environmental

STATE FILE

NOTICE OF ADMINISTRATIVE AGREEMENT

**Trion Inc Site
Sanford, Lee County, North Carolina**

The North Carolina Division of Waste Management (Division) is soliciting public comment on an Administrative Agreement (Agreement) that the Division intends to enter into with Barrier Advisors, Inc. (the Remediator). The Remediator plans to conduct a voluntary cleanup of hazardous substances at the Trion Site, 101 McNeil Road, Sanford, Lee County, North Carolina. This voluntary remedial action will be conducted pursuant to N.C.G.S. 130A-310.9(b) and -310.9(c). Voluntary remedial actions implemented pursuant to N.C.G.S. 130A-310.9(c) are directed by Department-designated "Registered Environmental Consultants" in place of state oversight.

The complete file and a copy of the Agreement can be viewed at the following location:

NC Division of Waste Management
401 Oberlin Rd. - Suite 150
Raleigh, North Carolina 27605

Hours (by appointment only):
Monday - Friday 8:00 am - 5:00 pm
To schedule an appointment, contact Mr. Scott Ross
at (919) 508-8475

To receive an electronic copy of the draft Agreement or to provide comments or questions regarding the draft Agreement or the role of the Registered Environmental Consultant for this site, contact:

MR. KIM T. CAULK
REC PROGRAM
SUPERFUND SECTION
NORTH CAROLINA DIVISION OF WASTE MANAGEMENT
401 OBERLIN ROAD, SUITE 150
RALEIGH, NC 27605
(919) 508-8400
Kim.Caulk@NCMail.net
<http://www.wastenotnc.org/sfhome/recprog.htm>

This Notice has been prepared for parties in the general area that may be interested in the cleanup activities at the Site. All comments on the draft Agreement must be received no later than February 16, 2009.

Trion Inc.
Sanford, Lee County, North Carolina

STATE FILE

Mailing List:

MR KIM T CAULK
NC DENR
DIVISION OF SOLID WASTE MANAGEMENT
SUPERFUND SECTION
REC PROGRAM
401 OBERLIN ROAD SUITE 150
RALEIGH NC 27605

KENT HANSEN CONSULTANT TO
BARRIER ADVISORS INC AS
PLAN ADMINISTRATOR AND TRUSTEE OF
THE FC TERM LENDERS LIQUIDATING
TRUST
C/O BARRIER ADVISORS INC
13455 NOEL ROAD SUITE 2200
DALLAS TEXAS 75240

HOWARD SURFACE
LEE COUNTY HEALTH DEPARTMENT
106 HILLCREST DRIVE
PO BOX 1528
SANFORD NC 27331

HAL HEGWER CITY MANAGER
CITY OF SANFORD
PO BOX 3729
SANFORD NC 27331-3729

IMPERIAL FREEZER SERVICE LLC
111 IMPERIAL DRIVE
SANFORD NC 27330

INVESTMENT RECOVERY SERVICES INC
3421 N SYLVANIA AVE
FORT WORTH TX 76111

RUSSELL AND CAROLYN UNDERWOOD
2369 EVERETT DOWDY ROAD
SANFORD NC 27330

DENNIS CLARENCE MACE
1473 HENLEY ROAD
SANFORD NC 27330

SPIRIT MASTER FUNDING IV LLC
14631 N SCOTTSDALE ROAD
SCOTTSDALE AZ 85254

GEORGE R PERKINS JR
PO BOX 525
SANFORD NC 27330

MACK AND MARGIE NIXON
415 GLENWOOD DRIVE
SANFORD NC 27330

CAROLINA GIRLS LLC
PO BOX 573
SANFORD NC 27331

Subject: Re: Draft REC-AA request for Trion, Inc., Sanford, NC

From: "Kim T. Caulk" <Kim.Caulk@ncmail.net>

Date: Wed, 07 Jan 2009 10:23:32 -0500

To: Rob_MacWilliams@URSCorp.com

CC: Kristine_MacWilliams@URSCorp.com, khansen.fedders@gmail.com, hkessler@barrieradvisors.com, ANNA JONES <Anna.Jones@ncmail.net>

STATE FILE

Attached is a **draft** Administrative Agreement (AA) for a Registered Environmental Consultant (REC)-directed assessment and remedial action for the above Site (Site). **Be aware that the REC-AA is a standard document prepared by the attorney general's office. The majority of the AA comes from the REC Rules and the Inactive Hazardous Sites Response Act and, therefore, the contents cannot be changed.** The Remediating Party and REC should carefully review this document to make sure the information on the front page is correct and contact me to let me know if you are satisfied with the draft document or if there are any questions. **PLEASE DO NOT SIGN THE DRAFT AA AND MAIL IT TO THE INACTIVE HAZARDOUS SITES BRANCH (Branch).** If you are satisfied with the terms specified in the agreement, the Branch will prepare a final AA, assign a docket number, and mail it to you for signature.

Section III of the AA specifies the work to be performed. Be aware that for any site that enters the REC Program, the RP along with its designated RSM must make sure that all requirements for a particular phase of work specified in the REC Rules [see .0306(b)(5)] such as a remedial investigation work plan, remedial investigation report, remedial action plan, etc. have been completed and the document components required by the REC Rules have been addressed. Procedures for preparing these documents are described in the REC Program Implementation Guidance (Guidance) which can be found on our web site at <http://www.wastenotnc.org/sfhome/RECGuidance.pdf>. As indicated in Section III of the AA, for any requirement that has already been completed, the RP and REC can specify the location within the document(s) on file with the Superfund Section that indicates the requirement has already been met. Also be aware that all future work plans, report documents, and work phase completion statements that are submitted must be certified in accordance with .0306(b). If you believe unique circumstances exist regarding any of the required documents or the procedures described in the Guidance, please contact me.

By law the Department of Environment and Natural Resources must allow a 30-day public comment period for the proposed AA prior to its execution. The required public notice will begin soon using information that was provided to the Branch.

In order to participate in the REC Program, an annual administrative fee that is used by the state to offset the costs for auditing REC sites is required. The initial fee, which is due upon entering the REC Program, is \$2,500.00 and must be received by the Branch before the AA can be executed. Note that there will be a similar fee each year until the remediation at the Site is complete. The annual fee is based on the number of sites in the REC Program each year and the state's projected costs for overseeing the REC Program.

If you have any questions, please contact me by phone at (919) 508-8451 or e-mail at Kim.Caulk@ncmail.net.

Kim T. Caulk, P.G.
Inactive Hazardous Sites Branch - REC Program
NCDENR - Division of Waste Management
401 Oberlin Road, Suite 150
Raleigh, North Carolina 27605
Phone: (919) 508-8451
Fax: (919) 733-4811
e-mail: kim.caulk@ncmail.net
<http://www.wastenotnc.org/sfhome/recprog.htm>

Trion.RECAA.1.09.doc

Content-Type: application/msword
Content-Encoding: base64

**NORTH CAROLINA DEPARTMENT OF ENVIRONMENT
AND NATURAL RESOURCES
DIVISION OF WASTE MANAGEMENT
SUPERFUND SECTION**

STATE FILE

**IN RE: TRION, INC.
 NONCD 0002843
 SANFORD, NORTH CAROLINA
 LEE COUNTY**

**ADMINISTRATIVE AGREEMENT
FOR REGISTERED ENVIRONMENTAL
CONSULTANT-DIRECTED ASSESSMENT
AND REMEDIAL ACTION PURSUANT TO
N.C.G.S. 130A-310.9(c) and 15A NCAC 13C .0300.**

DOCKET NUMBER ____-SF-____

I. STATEMENT OF PURPOSE

The purpose of this Administrative Agreement (Agreement) is to provide for implementation by Barrier Advisors, Inc. (the Remediator) of a voluntary remedial action program pursuant to N.C.G.S. 130A-310.9(c) and 15A NCAC 13C .0300 at the site defined in Section II. A. of this Agreement.

II. STIPULATIONS OF FACT

A. The "Site" is any area on the property located at 101 McNeill Road in Sanford, Lee County, North Carolina and currently owned by Air System Components, Inc. where a hazardous substance has been disposed, deposited, placed or discharged and any other area or property to which the contamination from that disposal, deposition, placement or discharge has come to be located.

B. The Site is an inactive hazardous substance or waste disposal site within the meaning of N.C.G.S. 130A-310(3).

III. WORK TO BE PERFORMED

A. The Remediator shall conduct a voluntary remedial action at the Site in accordance with the provisions of N.C.G.S. 130A-310.9(c), 15A NCAC 13C .0300, and the "Registered Environmental Consultant Program Implementation Guidance" of the North Carolina Division of Waste Management (the Division). The voluntary remedial action shall include the remediation of any hazardous substances as defined in G.S. 130A-310(2) and any contaminants as defined in 15A NCAC 2L present at the Site.

B. Within thirty-six (36) months after the execution of this Agreement, the Remediator shall complete a remedial investigation at the Site which complies with the provisions of 15A NCAC 13C .0300 including, but not limited to, .0302(f), .0302(k)-(p), .0306(c)-(h) and .0306(q). For any requirement that has already been met, the Remediator shall specify the location within the document(s) on file with the Superfund Section that show(s) that the requirement has been met. The remedial investigation shall not be considered complete until the Remediator has submitted a remedial investigation report and completion statement, both certified in accordance with .0306(b) by the REC and the Remediator.

C. Within twenty-four (24) months of completion of the remedial investigation or within sixty (60) months after the execution of this Agreement, whichever is earlier, the Remediator shall initiate groundwater remedial action at the Site in compliance with the provisions of 15A NCAC 13C .0300 including, but not limited to, .0302(f), .0302(k) - (p), .0306(c) - (d) and .0306(i) - (n). For any requirement that has already been met, the Remediator shall specify the location within the document(s) on file with the Superfund Section that show(s) that the requirement has been met. Groundwater remedial action shall be considered initiated only upon the submission to the Division of the groundwater remedial action construction completion report, certified in accordance with .0306(b) by the REC and the Remediator, and upon commencement of the actual operation of the remedial system.

D. Within ninety-six (96) months after the execution of this Agreement, the Remediator shall complete, for wastes, soils, surface water and sediments at the Site, a remedial action which complies with the provisions of 15A NCAC 13C .0300 including, but not limited to, .0302(f), .0302(k) - (p), .0306(c) - (d), .0306(i) - (n) and .0308. For any requirement that has already been met, the Remediator shall specify the location within the document(s) on file with the Superfund Section that show(s) that the requirement has been met. The remedial action for wastes, soils, surface water and sediments shall not be considered complete until the Remediator has submitted, for these media, a remedial action completion report and work phase completion statement, both certified in accordance with .0306(b) by the REC and the Remediator.

E. The Remediator shall submit quarterly letter status reports on or before the 15th day of January, April, July and October of each year until such time as the REC has prepared and submitted certified completion statements for all contaminated media pursuant to 15A NCAC 13C .0306(b)(5)(D). Each quarterly status report must summarize, in one to two paragraphs, work performed since the last quarterly status report. These status reports must include a statement confirming work is progressing in a manner to achieve the mandatory work phase completion deadlines set out in 15A NCAC 13C .0302(h). These status reports must be certified in accordance with .0306(b) by the REC assigned to this project and the Remediator. A quarterly letter status report may be incorporated with another document such as a remedial investigation work plan, a remedial investigation report, a remedial action plan, etc. if such other document is submitted at the time when a quarterly letter status report is due. Once the REC has prepared and submitted certified completion statements for all contaminated media

pursuant to 15A NCAC 13C .0306(b)(5)(D), quarterly letter status reports under this paragraph shall be supplanted with the requirements of progress reporting of remedial action implementation pursuant to 15A NCAC 13C .0306(o).

F. If there is groundwater contamination at the Site, the Remediator shall install and monitor sentinel groundwater monitoring wells or utilize existing wells that serve this purpose such that groundwater monitoring data obtained from ongoing monitoring activities will accurately monitor the migration of any contamination at the Site toward any drinking water or production water well that is known to be present within a one-thousand (1000) feet of the detectible perimeter of the groundwater contamination at the Site. The Remediator shall notify the Division within twenty-four (24) hours of the time when the Remediator or the Remediator's REC discovers that a sentinel groundwater monitoring well has detectable concentrations of any contamination.

G. After completing the inventory of all identifiable wells used as sources of potable water pursuant to 15A NCAC 13C .0306(g)(6), if any new drinking water wells are installed within one-thousand five-hundred (1500) feet of the Site property boundaries, the Remediator and/or the Remediator's REC shall notify the Division within twenty-four (24) hours of the time when the Remediator and/or the Remediator's REC discovers or otherwise finds out about such wells during the normal course of work for the project.

H. If hazardous substances as defined in G.S. 130A-310(2) or other contaminants as defined in 15A NCAC 2L for which the Remediator is responsible have affected any drinking water wells, the Remediator shall, within a time period established by the Division, provide an alternate drinking water source for users of those wells.

I. The Remediator shall ensure that remedial action progress reports are prepared in accordance with 15A NCAC 13C .0306(o).

IV. ADDITIONAL PROVISIONS

A. All work performed pursuant to this Agreement shall be under the direction and supervision of the Division-approved REC specified in Attachment A, in accordance with 15A NCAC 13C .0302(f).

B. All work plans, reports, completion statements and project schedules prepared pursuant to this Agreement shall be certified by a representative of the Remediator in accordance with 15A NCAC 13C .0306(a) and .0306(b)(2).

C. In the event that the REC specified in Attachment A ceases to serve in that capacity at the Site or is disqualified as an REC by the Division, the Remediator's voluntary remedial action status shall be subject to revocation if the Remediator fails to propose a replacement REC within sixty (60) days, in accordance with 15A NCAC 13C .0302(n).

D. The Remediator shall pay an annual administration fee to the Division, in accordance with 15A NCAC 13C .0307(c), to help offset the costs of the Division's audits of voluntary remedial actions.

E. In the event that the Agreement is terminated, other than termination after remedial action completion and final certification by the REC, the Remediator and/or REC shall, within thirty (30) days, submit to the Division a document containing all information and data that has been collected to date which has not yet been submitted to the Division in a completed certified document. Certification of this document shall be provided in accordance with 15A NCAC 13 C .0306(b)(1) and (2).

F. This is a voluntary agreement. If the Remediator elects to discontinue implementation of work under this Agreement, the Remediator shall notify the Division in writing of such intent, and this Agreement shall be dissolved upon the Division's receipt of such written notice. If the Division determines that the Remediator is not complying with the terms of this Agreement in a timely manner, the Division may notify the Remediator in writing of such determination, and the Agreement shall be dissolved upon the Remediator's receipt of such written notice. In either of these events, neither party may seek judicial review of the dissolution of this Agreement or has any right, claim or action for breach of this Agreement. In either of these events, the Division shall retain all its applicable enforcement rights against the Remediator, and the Remediator shall retain all applicable defenses.

G. Pursuant to 15A NCAC 13C .0302(g), the Division shall have complete discretion to effect cleanup itself, or directly oversee a Remediator's cleanup, if the Division determines that the site poses an imminent hazard, if there is significant public concern, if the Division has initiated an enforcement action, if the Division is concerned about material misrepresentations or environmental non-compliance on the part of a party seeking to effect or effecting remedial action at a site pursuant to this Section, if hazardous substances have migrated to adjoining property, or if other conditions, such as the presence of sensitive environments or mixed wastes (commingled radioactive and chemical wastes), so warrant.

The effective date of this Agreement shall be the date on which it is executed by Jack R. Butler.

Date Executed: _____

By: _____
Jack R. Butler, P.E.
Chief, Superfund Section
Division of Waste Management
North Carolina Department of Environment
and Natural Resources

By: _____
(Signature of Party Authorized to Bind Remediator)

(Typed or Printed Name of Signatory, Title)

(Typed or Printed Name of Company)

**North Carolina Department of Environment
and Natural Resources
Division of Waste Management
Superfund Section**

**Attachment A to
Administrative Agreement
for Registered Environmental
Consultant-Directed Assessment
and Remedial Action Pursuant to
N.C.G.S. 130A-310.9(c) and
15A NCAC 13C .0300.**

Docket No. ____-SF-____

We hereby certify that the Remediator has retained the undersigned Division-approved Registered Environmental Consultant (REC) to implement and oversee a voluntary remedial action at the Site pursuant to N.C.G.S. 130A-310.9(c) and 15A NCAC 13C .0300, and that the undersigned Division-approved Registered Site Manager (RSM) shall serve as RSM for the voluntary remedial action.

The undersigned Remediator agrees to indemnify and save and hold harmless the State of North Carolina and its agencies, departments, officials, agents, employees, contractors and representatives, from any and all claims or causes of action arising from or on account of acts or omissions of the Remediator or its officers, employees, receivers, trustees, agents or assigns in carrying out actions required pursuant to the Agreement which incorporates this Attachment A (this Agreement). The undersigned REC agrees to indemnify and save and hold harmless the State of North Carolina and its agencies, departments, officials, agents, employees, contractors and representatives, from any and all claims or causes of action arising from or on account of acts or omissions of the REC or its officers, employees, receivers, trustees, agents or assigns in carrying out actions required pursuant to the Agreement which incorporates this Attachment A. Neither the State of North Carolina nor any agency or representative thereof shall be held to be a party to any contract involving the Remediator relating to the Site excluding, however, this Agreement.

The Remediator affirms that the REC has been provided a full and complete copy of this Agreement prior to signature. The undersigned REC representatives affirm that they have received, read, and intend to comply with the provisions of this Agreement. Both the Remediator and REC acknowledge that the REC is fully accountable for complying with 15A NCAC 13C .0300 including the deadlines established upon execution of this Agreement.

Remediator:

(Signature Party Authorized to Bind Remediator) (Date)

(Typed or Printed Name of Signatory, Title)

(Typed or Printed Name of Company)

Registered Environmental Consultant:

(Signature of REC Owner, Partner, or Corporate Officer) (Date)

(Typed or Printed Name of Signatory, Title)

(Typed or Printed Name of REC Firm)

Registered Site Manager:

(RSM Signature) (Date)

(Typed or Printed Name of RSM)

Subject: Re: Draft REC-AA request for Trion, Inc., Sanford, NC

From: Rob_MacWilliams@URSCorp.com

Date: Mon, 5 Jan 2009 14:52:28 -0500

To: "Kim T. Caulk" <Kim.Caulk@ncmail.net>

CC: ANNA JONES <Anna.Jones@ncmail.net>, hkessler@barrieradvisors.com, khansen.fedders@gmail.com, Kristine_MacWilliams@URSCorp.com

STATE FILE

Kim-

Here is the information regarding the surrounding properties and contact information pursuant to Item #4.

(See attached file: Surrounding Properties.pdf)(See attached file: Surrounding Properties Mailing Address.pdf)

Robert H. MacWilliams, PG, RSM
Principal Geologist/Vice President
URS Corporation - North Carolina
Tel: 704-522-0330
Cel: 980-721-2792

This e-mail and any attachments are confidential. If you receive this message in error or are not the intended recipient, you should not retain, distribute, disclose or use any of this information and you should destroy the e-mail and any attachments or copies.

▼ "Kim T. Caulk" <Kim.Caulk@ncmail.net>

"Kim T. Caulk"
<Kim.Caulk@ncmail.net>

01/02/2009 02:32 PM

ToRob_MacWilliams@URSCorp.com
ccKristine_MacWilliams@URSCorp.com,
khansen.fedders@gmail.com,
hkessler@barrieradvisors.com, ANNA JONES
<Anna.Jones@ncmail.net>
SubjectDraft REC-AA request for Trion, Inc., Sanford, NC

Thanks. We will forward a Draft REC-AA as soon as possible. In order for the required public notice to begin, the information in Item 4 of the Procedures for Obtaining a Registered Environmental Consultant Administrative Agreement is needed. The public notice can be performed by the Branch while the AA is being reviewed/finalized.

If you have any questions, please contact me.

Regards,

Kim T. Caulk, P.G.
Inactive Hazardous Sites Branch - REC Program
NCDENR - Division of Waste Management
401 Oberlin Road, Suite 150
Raleigh, North Carolina 27605
Phone: (919) 508-8451
Fax: (919) 733-4811
e-mail: kim.caulk@ncmail.net
<http://www.wastenotnc.org/sfhome/recprog.htm>



URS

URS CORPORATION - NORTH CAROLINA
TWO SOUTH EXECUTIVE PARK
6135 PARK SOUTH DRIVE, SUITE 300
CHARLOTTE, NC 28210
TEL: (704) 522-0330
FAX: (704) 522-0063

Adjacent Properties:
1500 Feet
Trion Inc.
101 McNeill Road
Sanford, NC

DRAWN BY:
KMH 01/05/09
SHEET:

CHECKED BY:
CNT 01/05/09

PROJECT NO:
15300663

Adjacent Properties Table

**Trion Inc.
101 McNeill Road
Sanford, NC 27330**

ID	Owner	Mailing Address
1*	Air System Components Inc.	6450 Poe Ave. Dayton, OH 45414
2	Imperial Freezer Service LLC	111 Imperial Dr. Sanford, NC 27330
3	Investment Recovery Services Inc.	3421 N. Sylvania Ave Fort Worth, TX 76111
4	Investment Recovery Services Inc.	3421 N. Sylvania Ave Fort Worth, TX 76111
5	Russell and Carolyn Underwood	2369 Everett Dowdy Road Sanford, NC 27330
6	Dennis Clarence Mace	1473 Henley Road Sanford, NC 27330
7	Spirit Master Funding IV LLC	14631 N. Scottsdale Road Scottsdale, AZ 85254
8	Spirit Master Funding IV LLC	14631 N. Scottsdale Road Scottsdale, AZ 85254
9	George R. Perkins Jr.	PO Box 525 Sanford, NC 27330
10	George R. Perkins Jr.	PO Box 525 Sanford, NC 27330
11	Mack and Margie Nixon	415 Glenwood Dr. Sanford, NC 27330
12	Carolina Girls LLC	PO Box 573 Sanford, NC 27331

* Subject Site

** Information obtained from the Lee County Geographic Information Systems (GIS) website.

STATE FILE

Subject: Draft REC-AA request for Trion, Inc., Sanford, NC
From: "Kim T. Caulk" <Kim.Caulk@ncmail.net>
Date: Fri, 02 Jan 2009 14:32:50 -0500
To: Rob_MacWilliams@URSCorp.com
CC: Kristine_MacWilliams@URSCorp.com, khansen.fedders@gmail.com, hkessler@barrieradvisors.com, ANNA JONES <Anna.Jones@ncmail.net>

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If you have any questions, please contact me.

Regards,

Kim T. Caulk, P.G.
Inactive Hazardous Sites Branch - REC Program
NCDENR - Division of Waste Management
401 Oberlin Road, Suite 150
Raleigh, North Carolina 27605
Phone: (919) 508-8451
Fax: (919) 733-4811
e-mail: kim.caulk@ncmail.net
<http://www.wastenotnc.org/sfhome/recprog.htm>

Rob_MacWilliams@URSCorp.com wrote:

Kim-

In accordance with the procedures for obtaining a REC Administrative Agreement (AA), I'm sending you this e-mail with the following attachments:

1. A document of the required information necessary to prepare the AA as specified in the procedures; and,
2. A Notice of Regulatory Requirements prepared by the NCDENR, dated October 16, 2008 stating that the Trion Inc., facility is eligible for the REC Program.

Please let me know if you need any additional information or have any questions regarding this submittal.

If we don't talk over the next few weeks I hope you have a great Christmas and New Years.

Thanks

(See attached file: NORR_121608.pdf)(See attached file: Trion Site REC AA Information.pdf)

Robert H. MacWilliams, PG, RSM
Principal Geologist/Vice President
URS Corporation - North Carolina
Tel: 704-522-0330
Cel: 980-721-2792

This e-mail and any attachments are confidential. If you receive this message in error or are not the intended recipient, you should not retain, distribute, disclose or use any of this information and you should destroy the e-mail and any attachments or copies.

Subject: Obtain REC Administrative Agreement - Trion Site/Sanford, NC
From: Rob_MacWilliams@URSCorp.com
Date: Wed, 24 Dec 2008 08:40:08 -0500
To: KIM.CAULK@NCMAIL.NET
CC: Kristine_MacWilliams@URSCorp.com

STATE FILE

Kim-

In accordance with the procedures for obtaining a REC Administrative Agreement (AA), I'm sending you this e-mail with the following attachments:

1. A document of the required information necessary to prepare the AA as specified in the procedures; and,
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Please let me know if you need any additional information or have any questions regarding this submittal.

If we don't talk over the next few weeks I hope you have a great Christmas and New Years.

Thanks

(See attached file: NORR_121608.pdf)(See attached file: Trion Site REC AA Information.pdf)

Robert H. MacWilliams, PG, RSM
Principal Geologist/Vice President
URS Corporation - North Carolina
Tel: 704-522-0330
Cel: 980-721-2792

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NORR_121608.pdf	Content-Type: application/pdf Content-Encoding: base64
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Trion Site REC AA Information.pdf	Content-Type: application/pdf Content-Encoding: base64
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**Trion Site – Sanford, North Carolina
REC Administrative Agreement Information**

Site name, Street address/location, city and county

Trion, Inc.
101 McNeill Road
Sanford, Lee County, North Carolina

Exact name of remediator

Barrier Advisors, Inc., as
Plan Administrator of Trion, Inc. and Trustee of the FC Term Lenders Liquidating Trust
13455 Noel Road, Suite 2200
Dallas, TX 75240

Name, title, telephone number and e-mail address of the highest ranking official of the remediating party having day-to-day responsibility for the performance of the remedial response action

Kent Hansen
Consultant to Barrier Advisors, Inc., as
Plan Administrator and Trustee of the FC Term Lenders Liquidating Trust
973-229-1935
khansen.fedders@gmail.com

Name, title, telephone number and e-mail address of any other contact person(s) and the proposed REC for the remedial response action

Robert MacWilliams
Hydrogeologist, Registered Site Manager
URS Corporation – North Carolina
704-716-0730
rob_macwilliams@urscorp.com

Harold J. Kessler
Director
Barrier Advisors, Inc.
972-763-4065
hkessler@barrieradvisors.com

Current property owner of the site

Air System Components, Inc.



North Carolina Department of Environment and Natural Resources

Dexter R. Matthews, Director

Division of Waste Management

Michael F. Easley, Governor
William G. Ross Jr., Secretary

CERTIFIED MAIL

October 16, 2008

Mr. Kent Hansen
Executive Vice President
Fedders Corporation
505 Martinsville Road
P.O. Box 813
Liberty Corner, NJ 07938

Re: **NOTICE OF REGULATORY REQUIREMENTS FOR CONTAMINANT ASSESSMENT
AND CLEANUP**

Trion Inc., Facility
Sanford, Lee County, NC

Dear Mr. Hansen:

Thank you for submitting the Site Cleanup Checklist/Questionnaire (Questionnaire) for the above subject site (Site). The Branch has completed its review of the Questionnaire and determined that the Site can be cleaned up through the REC ("Registered Environmental Consultant") Program without direct oversight by Branch Staff.

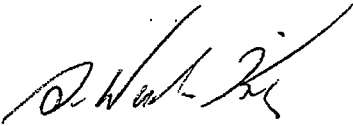
Note that, if you have not already done so, you must take the initial abatement actions required under 15A NCAC 2L, Groundwater Classifications and Standards. Pursuant to 15A NCAC 2L .0106(b), any person conducting or controlling an activity which results in the discharge of a waste or hazardous substance to the groundwaters of the State, or in proximity thereto, shall take immediate action to terminate and control the discharge, and mitigate any hazards resulting from exposure to the pollutants. Pursuant to 15A NCAC 2L .0106(c), if groundwater standards have been exceeded, you must take immediate action to eliminate the source or sources of contamination. Beyond initial abatement actions, all assessment and remediation will be done through the Inactive Hazardous Sites Response Act ("IHSRA"), codified under N.C. Gen. Stat. § 130A-310.

Under the IHSRA, to receive approval of the assessment and clean up at the Site, you must enter into an administrative agreement with the Branch. Since the Branch has determined that the Site can be cleaned up through the REC Program, execution of an REC-Administrative Agreement (AA) is required. The procedures for entering into an REC-AA are attached. If you have any questions regarding these procedures or the REC Program, please contact the REC Program Manager, Kim Caulk, at (919)508-8451 or visit the REC Program website at <http://www.wastenotnc.org/SFHOME/recprog.htm>.

If we do not receive a response from you within the next 60 days indicating your willingness to enter an REC-AA, the Branch will take further action to prioritize the Site. Failure to take the initial abatement steps required in 15A NCAC 2L may result in the assessment of a civil penalty against you. In addition, the Branch may seek an injunction compelling compliance with the initial abatement steps required in 15A NCAC 2L. For future work beyond the initial abatement steps required pursuant to 15A NCAC 2L, a unilateral Order may be issued pursuant to § 130A-310.3 to compel assessment and cleanup. In addition, if you choose not to conduct a cleanup voluntarily, the site may be referred to the United States Environmental Protection Agency ("EPA"). If so referred, EPA will screen the site for Federal enforcement action under the Federal Superfund Program, established under the Comprehensive Environmental Responsibility, Compensation, and Liability Act ("CERCLA").

If you have additional questions about the requirements that apply to your site, please contact me at (919) 508-8469.

Sincerely,



S. Wade Kirby, PE, PG, Environmental Engineer II
Inactive Hazardous Sites Branch
Superfund Section

Enclosure: REC-AA Procedures

cc: Greg Quandt, URS Corporation
Kim Caulk, NCDENR/DWM/SFS/HISB

Procedures for Obtaining a REC Administrative Agreement

To obtain a Registered Environmental Consultant (REC)-Administrative Agreement (AA), remediating parties (RPs) and RECs should use the following procedures:

1. Contact Kim Caulk, preferably by e-mail at Kim.Caulk@NCMail.net, and provide the following information for the site:
 - Site name, street address/location, city, and county;
 - Exact name of remediator;
 - Name, title, telephone number & e-mail address of the highest ranking official of the remediating party having day-to-day responsibility for the performance of the remedial response action;
 - Name, title, telephone number & e-mail address of any other contact person(s) and the proposed REC for the remedial response action;
 - Current property owner of the site.
2. Using the information above, a draft REC-AA will be prepared by the Branch and forwarded, preferably by e-mail, to the RP and any other specified representatives for review. The draft electronic version of the AA will be maintained by the Branch.
3. After the RP confirms the information is correct, the AA will be finalized by the Branch and an original, hardcopy of the final document will be mailed to the RP for signature. The RP should then mail the signed **original**, final AA to the REC for signature. The document should then be returned by mail to the Branch for execution. A photocopy of the AA will be forwarded to the RP and the REC following execution of the AA by the Branch.
4. Before the AA can be executed, the following requirements must be completed:
 - A 30-day public notice for the proposed AA must be performed by the Branch in accordance with 130A-310.9(b). To complete the required 30-day public notice, the proposed REC and/or the Remediating Party will need to submit, preferably by e-mail, a site location map (typically a tax map) and the mailing addresses for each of the adjacent surrounding property owners. The reference/source of the submitted information should be included;
 - Pursuant to 15A NCAC 13C .0307(c), to participate in the REC Program, payment of a financial assurance fee must be received by the Branch. The fee for entry of the site into the REC Program is \$2500. Checks should be made payable to NC Division of Waste Management and referenced to the REC Trust Fund. There will be a similar fee each year until remediation at the site is complete. The annual administration fee, which is to help offset the costs of the Division's audits of remedial actions, is based on the number of sites in the REC Program and in recent years has varied from approx. \$1800 to \$2500.

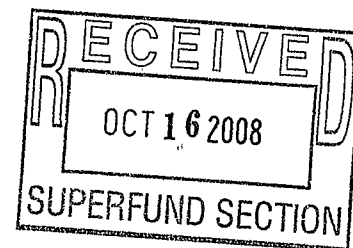
The required public notice can begin while the AA is reviewed/finalized and the fees are processed.

Questions regarding these procedures and the REC Program should be directed to Kim Caulk at (919)508-8451 or Kim.Caulk@NCMail.net.



October 15, 2008

S. Wade Kirby, PE, PG
Division of Waste Management
Superfund Section, Inactive Hazardous Sites Branch
North Carolina Department of Environment and Natural Resources
401 Oberlin Road, Suite 150
Raleigh, NC 27605-1305



Re: SITE CLEANUP QUESTIONNAIRE
Trion Inc., Facility, 101 McNeill Road, Sanford, Lee County, NC 27330
URS Project No.: 15300856

Dear Mr. Kirby:

On behalf of our client, Fedders Corporation (Fedders), URS Corporation (URS) is providing the attached responses to the *Site Cleanup Questionnaire* for the above-referenced manufacturing facility. Fedders retained URS to provide due diligence transaction support for evaluating the current environmental conditions as part of a planned divestiture. As part of the due diligence, URS has completed a Phase II Environmental Site Assessment (ESA) at the Trion facility; the general scope of work included collecting soil and groundwater samples from 10 direct-push borings, 2 hand-auger borings, and 12 monitoring wells, and collecting 5 sediment samples from the onsite storm water pond.

With the exception of arsenic, none of the metals results in the soil and sediment samples exceeded the Inactive Hazardous Sites Branch Health-Based Soil Remediation Goals; the only arsenic exceedence was at the background/upgradient boring location SB-9. None of the SVOC results for soil and groundwater samples exceeded the Inactive Hazardous Sites Branch Health-Based Soil Remediation Goals or North Carolina Groundwater Quality Standards. The groundwater samples collected from monitoring wells had exceedences of the North Carolina Groundwater Quality Standards for chloromethane (one well), Cis-1,2-DCE (one well), TCE (three wells), and PCE (one well). The complete Phase II ESA report, dated July 25, 2008, was previously sent to NCDENR.

If you have any questions or comments about our report, please do not hesitate to contact me at (301) 670-3382, or Mr. Kent Hansen with Fedders at (908) 604-8686.

Sincerely,
URS Corporation

Greg Quandt
Department Head
Strategic Environmental Management

Cc: Mr. Kent Hansen, Fedders Corporation
Ms. Amy H. Wright, Tomkins Industries, Inc.

Attachments/

URS Corporation
200 Orchard Ridge Drive, Suite 101
Gaithersburg, MD 20878
Tel: 301.258.9780
Fax: 301.869.8728



North Carolina Department of Environment and Natural Resources

Dexter R. Matthews, Director

Division of Waste Management

Michael F. Easley, Governor
William G. Ross Jr., Secretary

September 24, 2008

Mr. Kent Hansen
Executive Vice President
Fedders Corporation
505 Martinsville Road
P.O. Box 813
Liberty Corner, NJ 07938

Re: **NOTICE OF REGULATORY REQUIREMENTS FOR CONTAMINANT ASSESSMENT
AND CLEANUP**

Trion Inc., Facility
Sanford, Lee County, NC

Dear Mr. Hansen:

We received your Phase II Environmental Site Assessment, which reports that your site has been contaminated by one or more hazardous substances. Depending on the contaminants involved and whether the contaminants have impacted or may impact groundwater quality, you will be required to assess and cleanup the contamination under one or more cleanup authorities. Regulatory oversight for the assessment and cleanup under all applicable authorities will be provided by the Division of Waste Management through its Superfund Section, Inactive Hazardous Sites Branch ("Branch").

Based on information provided to date, the Inactive Hazardous Sites Response Act ("IHSRA"), codified under N.C. Gen. Stat. § 130A-310, et seq., applies to your site. In addition, initial immediate actions may be required under 15A NCAC 2L, Groundwater Classifications and Standards.

I. ACTIONS REQUIRED AT THIS TIME:

Complete the Site Cleanup Questionnaire.

To comply with the requirements of State law, a Site Cleanup Questionnaire, available on the website noted at the end of this letter, must be completed and returned to this office. The information you provide will be reviewed along with other information to prioritize the site, so please make certain that the information you provide is complete and accurate. Please note that your failure to inform the Branch of any nearby potable wells or other high risk conditions may adversely affect the Branch's ability to identify this site as a higher-risk site.

Take Initial Abatement Actions Required Under 15A NCAC 2L.

If you have not already done so, you must take the initial abatement actions required under 15A NCAC 2L. Pursuant to 15A NCAC 2L .0106(b), any person conducting or controlling an activity which results in the discharge of a waste or hazardous substance to the groundwaters of the State, or in proximity thereto, shall take immediate action to terminate and control the discharge, and mitigate any hazards resulting from exposure to the pollutants. Pursuant to 15A NCAC 2L .0106(c), if groundwater standards have been exceeded, you must take immediate action to eliminate the source or sources of contamination. Beyond initial abatement actions, all assessment and remediation will be done through the IHSRA.

II. FUTURE ASSESSMENT AND CLEANUP ACTIVITIES:

All correspondence regarding this site should be sent to the Branch. Future assessment and cleanup activities (activities conducted after the initial abatement steps required in 15A NCAC 2L) may be conducted through the Voluntary Cleanup Program (discussed below) or pursuant to an Order issued under N.C. Gen. Stat. § 130A-310.3. In addition, if you choose not to conduct a cleanup through the Voluntary Cleanup Program, the site may be referred to the United States Environmental Protection Agency ("EPA"). If so referred, EPA will screen the site for Federal enforcement action under the Federal Superfund Program, established under the Comprehensive Environmental Responsibility, Compensation, and Liability Act ("CERCLA").

III. VOLUNTARY CLEANUP PROGRAM:

Under the IHSRA, persons who move forward to assess and remediate contamination, without being compelled to do so through formal legal action filed against them, are called "volunteers." To participate in the voluntary cleanup program, you will be required to enter into an administrative agreement with the Branch. The voluntary cleanup will proceed through the Registered Environmental Consultant Program or under direct oversight by the Branch Staff, as discussed below:

Agreement to Conduct Assessment and Remediation Through the Registered Environmental Consultant Program.

The Branch has a privatized oversight arm of the voluntary cleanup program known as the Registered Environmental Consultant ("REC") program. Based on the responses provided on the questionnaire (degree of hazard and public interest in the site), the Branch will determine whether a staff person or an REC will perform the oversight and approval of your assessment and cleanup action. Please note that having one or more of the conditions identified on the questionnaire does not necessarily preclude the site for qualifying for an REC-directed cleanup action.

Under the REC program, the volunteer hires an environmental consulting firm, which the State has approved as having met certain qualifications, to implement a cleanup and certify that the work is being performed in compliance with regulations. In other words, the REC's certifications of compliance are in place of direct oversight by the Branch. Details of the REC program can be found at <http://www.wastenotnc.org/sfhome/recprog.htm>. If you have any questions specific to the REC Program, including how to participate, please contact the REC Program Manager, Kim Caulk, at (919) 508-8451.

Agreement to Conduct Assessment and Remediation Under State Oversight.

If the Branch determines that the site should be assessed and remediated pursuant to direct State oversight, it will not be eligible for a REC-directed cleanup. Rather, the remedial action will receive direct oversight by Branch staff.

IV. FAILURE TO RESPOND:

If we do not receive a completed questionnaire, the Branch will take further action to prioritize the site without your input. Failure to take the initial abatement steps required in 15A NCAC 2L may result in the assessment of a civil penalty against you. In addition, the Branch may seek an injunction compelling compliance with the initial abatement steps required in 15A NCAC 2L. For future work beyond the initial abatement steps required pursuant to 15A NCAC 2L, a unilateral Order may be issued pursuant to § 130A-310.3 to compel assessment and cleanup.

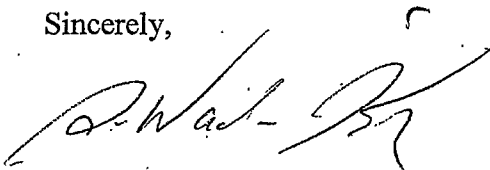
V. ADDITIONAL INFORMATION REGARDING THE IHSRA AND THE BRANCH:

People are often confused by the name of the Inactive Hazardous Sites Response Act and the Branch. By definition, "Inactive Hazardous Sites" are any areas where hazardous substances have come to be located and would include active and inactive facilities and a variety of property types. The term "inactive" simply refers to the fact that cleanup was inactive at large numbers of sites at the time of program enactment. Additional information about the Branch may be found at <http://www.wastenotnc.org/sfhome/ihsbrnch.htm>.

Submit completed questionnaire to: S. Wade Kirby, PE, PG
Division of Waste Management
Superfund Section
Inactive Hazardous Sites Branch
401 Oberlin Road, Suite 150
Raleigh, NC 27605-1305

If you have additional questions about the requirements that apply to your site, please contact me at (919) 508-8469.

Sincerely,



S. Wade Kirby, PE, PG, Environmental Engineer II
Inactive Hazardous Sites Branch
Superfund Section

cc: Greg Quandt, URS Corporation

Click here to complete online then print

Site Cleanup Questionnaire

Remediating parties should prepare this form with the assistance of an environmental consultant. All cooperative parties are eligible for Branch-approved remedial actions. Answer all questions, based on current information, and provide written descriptions where needed.

NCDENR Site Name, City and County Triron, Inc. Facility, Sanford, Lee County

Circle One

1. Is the site located on or immediately adjacent to residential property, schools, day-care centers or other sensitive populations?

Y ☒ N

If yes, please explain on a separate page.

2. What is the distance (from site property line) to the nearest residence, school or day-care center? Please attach a map showing the site and nearest residence, school or daycare center.

500 ft

3. Is the site completely surrounded by a locked fence?
If no, please explain security measures at the site on a separate page.

☒ Y / ☒ N

4. Are site surface soils known to be contaminated?

Y ☒ N

If yes, or unknown, describe briefly on a separate page.

5. Is site groundwater known to be contaminated?

☒ Y N

If yes, or unknown, describe briefly on a separate page.

6. Is site sediment or surface water known to be contaminated?

Y ☒ N

If yes, or unknown, describe briefly on a separate page.

7. Has groundwater contamination affected any drinking water wells?

Y ☒ N

If yes, or unknown, please explain on a separate page.

8. What is the distance to the nearest downgradient drinking water well?

9. What is the distance to the nearest downstream surface water intake?

10.5 miles

10. Are hazardous vapors, air emissions or contaminated dust migrating into occupied residential, commercial or industrial areas?

Y ☒ N

If yes, or unknown, please explain on a separate page.

11. Have hazardous substances known to have migrated off property at concentrations in excess of Branch unrestricted-use remediation goals?

Y ☒ N

If yes, or unknown, please explain on a separate page.

12. Has the local community expressed concerns about contamination at the site?

Y ☒ N

If yes, or unknown, please explain on a separate page.

13. Based on current information, are there any sensitive environments located on the property (sensitive environments are identified in the Remedial Investigation Work Plans section of the IHSB "Guidelines for Assessment and Cleanup" at www.wastenotnc.org/sfhome/stateleadguidance.pdf)? (Y) N

If yes, or unknown, please explain on a separate page.

14. Based on current information, has contamination from the site migrated into any sensitive environments? Y (N)

If yes, or unknown, please explain on a separate page.

15. Do site contaminants include radioactive or mixed radioactive and chemical wastes? Y (N)

If yes, or unknown, please explain on a separate page.

Remediating Party Certification Statement

After first being duly sworn or affirmed, I, Kent E. Hansen, hereby state that: I am over the age of eighteen, I am competent to make this certification based upon my own personal knowledge and belief, and, to the best of my knowledge and belief, after thorough investigation, the information contained herein is accurate and complete. I am aware that there are significant penalties for willfully submitting false, inaccurate or incomplete information.

Kent E. Hansen

(Signature of Remediating Party Representative)

October 10, 2008

(Date)

Kent E. Hansen, Consultant to Barrier Advisors, Inc., as Plan Administrator and Trustee of the FC Termholders Liquidating Trust
(Printed Name and Title of Remediating Party Representative)

Trion, Inc.

(Printed Name of Company)

STATE OF

New Jersey

COUNTY OF

Somerset

I, Jordan Combs, a Notary Public of said County and State, do hereby certify that Kent E. Hansen personally appeared before me this day, produced proper identification in the form of NJ drivers license, was duly sworn and/or affirmed, and declared that he or she is the owner of the property referenced above or is a duly authorized agent of said owner and that, to the best of his or her knowledge and belief, after thorough investigation, the information contained in the above certification is accurate and complete, and he or she then signed this Certification in my presence.

WITNESS my hand and official seal the 10th day of October, 2008.

[Signature]
Notary Public (signature)

(OFFICIAL SEAL)

My commission expires:

JORDAN COMO
NOTARY PUBLIC OF NEW JERSEY
Commission Expires 10/29/2012

Environmental Consultant Certification Statement

After first being duly sworn or affirmed, I, Gregory Michael Quandt, hereby state that: I am over the age of eighteen, I am competent to make this certification based upon my own personal knowledge and belief, and, to the best of my knowledge and belief, after thorough investigation, the information contained herein is accurate and complete. I am aware that there are significant penalties for willfully submitting false, inaccurate or incomplete information.

[Signature]
(Signature)

15 - OCT - 2008
(Date)

GREG QUANDT
(Printed Name)

URS CORPORATION
(Printed Name of Environmental Consultant)

STATE OF Maryland

COUNTY OF Montgomery

I, Michael J. Redding, a Notary Public of said County and State, do hereby certify that Greg Quandt personally appeared before me this day, produced proper identification in the form of Maryland Drivers License, was duly sworn and/or affirmed, and declared that he or she is an environmental consultant for the property referenced above and that, to the best of his or her knowledge and belief, after thorough investigation, the information contained in the above certification is accurate and complete, and he or she then signed this Certification in my presence.

WITNESS my hand and official seal the 15 day of October, 2008.



Notary Public (signature)

(OFFICIAL SEAL)

My commission expires: 31 March 2012

URS' Responses to the NCDENR's Site Cleanup Questionnaire
Trion, Inc.
101 McNeill Road
Sanford, Lee County, NC

1. No, the subject property is not located immediately adjacent to residential properties, schools, day-care centers or other sensitive populations; the immediately adjacent properties are light industrial properties.
2. A residential neighborhood is located approximately 500 feet to the southwest of the subject property. See Figure 2 (from URS' Phase I Environmental Site Assessment (ESA), dated January 28, 2008), which shows the subject property's proximity to the residences.
3. No, the parking areas are open. The areas to the north and east of the building are surrounded by a locked fence and gate.
4. No, there is no known surface soil contamination.

URS performed sampling activities on the subject property in February 2008 and April 2008 as part of a Phase II ESA, dated July 25, 2008. Sampling activities included the collection and analysis of subsurface soils from the north, east, and west sides of the facility. With the exception of arsenic, none of the metal results exceeded the Inactive Hazardous Sites Branch Health-Based Soil Remediation Goals. One soil boring indicated a level of arsenic above the Goals, but this was the background sample and it is assumed the sample exhibits natural occurring levels. None of the semi-volatile organic compounds (SVOCs) concentrations in the soil samples exceeded the Inactive Hazardous Sites Branch Health-Based Soil Remediation Goals or North Carolina 2L Groundwater Quality Standards. Volatile organic compounds (VOCs) constituents were detected in a few of the soil samples; however, no constituents detected were above their respective Inactive Hazardous Sites Branch Health-Based Soil Remediation Goals. Acetone was detected in two soil samples submitted for analysis. However, acetone is a common laboratory contaminant.

5. Yes, there is known groundwater contamination in the form of chloromethane, Cis-1,2-Dichloroethene (DCE), trichloroethene (TCE), and tetrachloroethene (PCE) on the subject property.

URS' Phase II ESA also included the sampling and analysis of groundwater from monitoring wells installed in soil borings. Results from the groundwater sampling indicated the presence of the following VOC constituents at levels exceeding the North Carolina Groundwater Quality Standards: chloromethane (one well), Cis-1,2-DCE (one well), TCE (three wells), and PCE (one well). None of the SVOC results for groundwater samples exceeded the Inactive Hazardous Sites Branch Health-Based Soil Remediation Goals or North Carolina Groundwater Quality Standards.

6. No, there is no known sediment contamination on the subject property. Surface water has not been sampled on the subject property.

In April 2008, URS collected sediment samples from different locations within the pond located on the north side of the subject property, which was reportedly historically used for watering plants and fishing. The samples were analyzed for VOCs and metals. The concentration of arsenic detected in the pond sediment samples was less than the concentration detected in any of the soil borings. Therefore, the results are not likely associated with site operations. There is no evidence based on the metals analyses that the pond was once used for a wastewater lagoon. VOC constituents were detected in one of the sediment samples submitted for analysis; however, no constituents detected were above their respective Inactive Hazardous Sites Branch Health-Based Soil Remediation Goals.

7. It is unlikely that groundwater contamination has affected any drinking water wells. Drinking water for the subject property and surrounding properties is provided by the City of Sanford Public Works. During a Phase I ESA performed by URS in January 2008, no potable water wells were observed on the subject property. Furthermore, according to the Environmental Data Resources Inc. (EDR) Radius Map Report, dated December 20, 2007 (reviewed as part of URS' Phase I ESA), there are no drinking water wells within one mile of the subject property.
8. No drinking water wells are reportedly located downgradient of the subject property (see response to Question 7).
9. The nearest downstream surface water intake is for the City of Sanford Public Works Department. The intake is approximately 10.5 miles east-northeast of the subject property.
10. No.
11. None known. No soil or groundwater samples have been collected off-site.
12. No.
13. Yes, there is a sensitive environment located on the northern portion of the subject property.

The National Wetlands Inventory map (as shown in the EDR Radius Map Report, dated December 20, 2007) shows that the surface water pond located on the northern portion of the subject property is a protected wetland. According to the IHSB "Guidelines for Assessment and Cleanup", wetlands are considered a sensitive environment.
14. Based on the sampling results from URS' Phase II ESA (see response to Question 6), it is unlikely that onsite contamination has migrated into the sensitive environment described in response to Question 13.
15. No, the site contaminants do not include radioactive or mixed radioactive and chemical wastes.



North Carolina Department of Environment and Natural Resources

Dexter R. Matthews, Director

Division of Waste Management

Michael F. Easley, Governor
William G. Ross Jr., Secretary

September 24, 2008

Mr. Kent Hansen
Executive Vice President
Fedders Corporation
505 Martinsville Road
P.O. Box 813
Liberty Corner, NJ 07938

Re: **NOTICE OF REGULATORY REQUIREMENTS FOR CONTAMINANT ASSESSMENT
AND CLEANUP**

Trion Inc., Facility
Sanford, Lee County, NC

Dear Mr. Hansen:

We received your Phase II Environmental Site Assessment, which reports that your site has been contaminated by one or more hazardous substances. Depending on the contaminants involved and whether the contaminants have impacted or may impact groundwater quality, you will be required to assess and cleanup the contamination under one or more cleanup authorities. Regulatory oversight for the assessment and cleanup under all applicable authorities will be provided by the Division of Waste Management through its Superfund Section, Inactive Hazardous Sites Branch ("Branch").

Based on information provided to date, the Inactive Hazardous Sites Response Act ("IHSRA"), codified under N.C. Gen. Stat. § 130A-310, et seq., applies to your site. In addition, initial immediate actions may be required under 15A NCAC 2L, Groundwater Classifications and Standards.

I. ACTIONS REQUIRED AT THIS TIME:

Complete the Site Cleanup Questionnaire.

To comply with the requirements of State law, a Site Cleanup Questionnaire, available on the website noted at the end of this letter, must be completed and returned to this office. The information you provide will be reviewed along with other information to prioritize the site, so please make certain that the information you provide is complete and accurate. Please note that your failure to inform the Branch of any nearby potable wells or other high risk conditions may adversely affect the Branch's ability to identify this site as a higher-risk site.

Take Initial Abatement Actions Required Under 15A NCAC 2L.

If you have not already done so, you must take the initial abatement actions required under 15A NCAC 2L. Pursuant to 15A NCAC 2L .0106(b), any person conducting or controlling an activity which results in the discharge of a waste or hazardous substance to the groundwaters of the State, or in proximity thereto, shall take immediate action to terminate and control the discharge, and mitigate any hazards resulting from exposure to the pollutants. Pursuant to 15A NCAC 2L .0106(c), if groundwater standards have been exceeded, you must take immediate action to eliminate the source or sources of contamination. Beyond initial abatement actions, all assessment and remediation will be done through the IHSRA.

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All correspondence regarding this site should be sent to the Branch. Future assessment and cleanup activities (activities conducted after the initial abatement steps required in 15A NCAC 2L) may be conducted through the Voluntary Cleanup Program (discussed below) or pursuant to an Order issued under N.C. Gen. Stat. § 130A-310.3. In addition, if you choose not to conduct a cleanup through the Voluntary Cleanup Program, the site may be referred to the United States Environmental Protection Agency ("EPA"). If so referred, EPA will screen the site for Federal enforcement action under the Federal Superfund Program, established under the Comprehensive Environmental Responsibility, Compensation, and Liability Act ("CERCLA").

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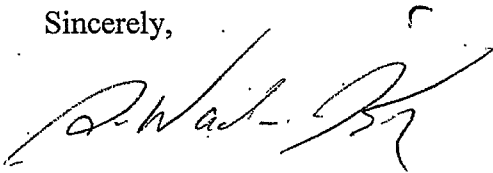
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Submit completed questionnaire to: S. Wade Kirby, PE, PG
Division of Waste Management
Superfund Section
Inactive Hazardous Sites Branch
401 Oberlin Road, Suite 150
Raleigh, NC 27605-1305

If you have additional questions about the requirements that apply to your site, please contact me at (919) 508-8469.

Sincerely,



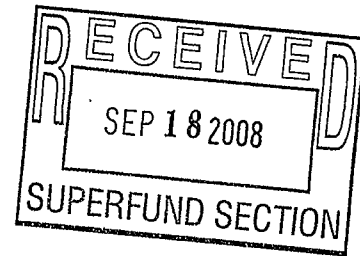
S. Wade Kirby, PE, PG, Environmental Engineer II
Inactive Hazardous Sites Branch
Superfund Section

cc: Greg Quandt, URS Corporation



August 19, 2008

Ms. Charlotte Jesneck
Inactive Hazardous Sites Branch
N.C. Division of Waste Management
401 Oberlin Road - Suite 150
Raleigh, NC 27605



Re: Phase II Environmental Site Assessment
Trion, Inc. Manufacturing Facility
101 McNeill Road
Sanford, North Carolina 27330
URS Project No. 15300963

STATE FILE

Dear Ms. Jesneck:

URS Corporation (URS), on behalf of Fedders Corporation, is submitting the attached *Phase II Environmental Site Assessment* for the Trion, Inc. manufacturing facility located at 101 McNeill Road in Sanford. This comprehensive Phase II report presents a summary of two separate phases of groundwater and soil sampling activities completed at the site.

If you have any questions or require additional information, please contact me directly at 301.670.3382.

Sincerely,

URS CORPORATION

Greg Quandt
Department Head, Strategic Environmental Management

Attachments